

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK				5. Lease Designation and Serial No. ML-22060	
1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				6. If Indian, Allottee or Tribe Name	
b. Type of Well Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>				7. Unit Agreement Name Gilsonite Unit	
2. Name of Operator LOMAX EXPLORATION				8. Farm or Lease Name Gilsonite State	
3. Address of Operator P.O. Box 1446 Roosevelt, Utah 84066 (801)722-5103				9. Well No. #2A-32	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2137' FEL 664' FNL NW/NE At proposed prod. zone				10. Field and Pool, or Wildcat Monument Butte	
14. Distance in miles and direction from nearest town or post office* 12.9 miles south of Myton (See Map A)				11. 00, Sec., T., R., M., or Blk. and Survey or Area Section 32, T8S, R17E	
13. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 664'		16. No. of acres in lease 640		17. No. of acres assigned to this well 40	
15. Distance from proposed location* to nearest well, drilling, completed or applied for, on this lease, ft. approx. 1059'		19. Proposed depth 6000'		20. Rotary or cable tools Rotary	
21. Elevations (Show whether DF, RT, GR, etc.) 5175' Ungraded ground				22. Approx. date work will start* July 1994	
23. PROPOSED CASING AND CEMENTING PROGRAM					
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement	
12-1/4"	8-5/8"	24#	300'	216 sx Class "G" + 2% CaCl ₂	
7-7/8"	5-1/2"	17#	TD	348 sx Hilift followed by 428 sks Class "G" w/ 2% CaCl ₂	

JUN 13 1994

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. I hereby certify that this report is true and complete to the best of my knowledge.

Signed Brad Mecham

Title Reg. Production Manager Date June 9, 1994

(This space for Federal or State office use)

API NO. 43-013-31453

Approval Date APPROVED BY THE STATE

Approved by _____

Title OF UTAH DIVISION OF

Conditions of approval, if any:

OIL, GAS, AND MINING

DATE: 7/8/94

BY: W. J. Matthews

WELL SPACING: R649-2-3

*See Instructions On Reverse Side

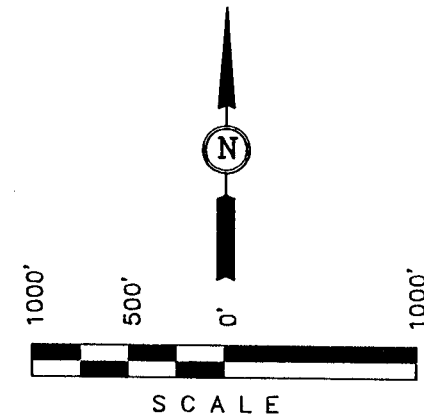
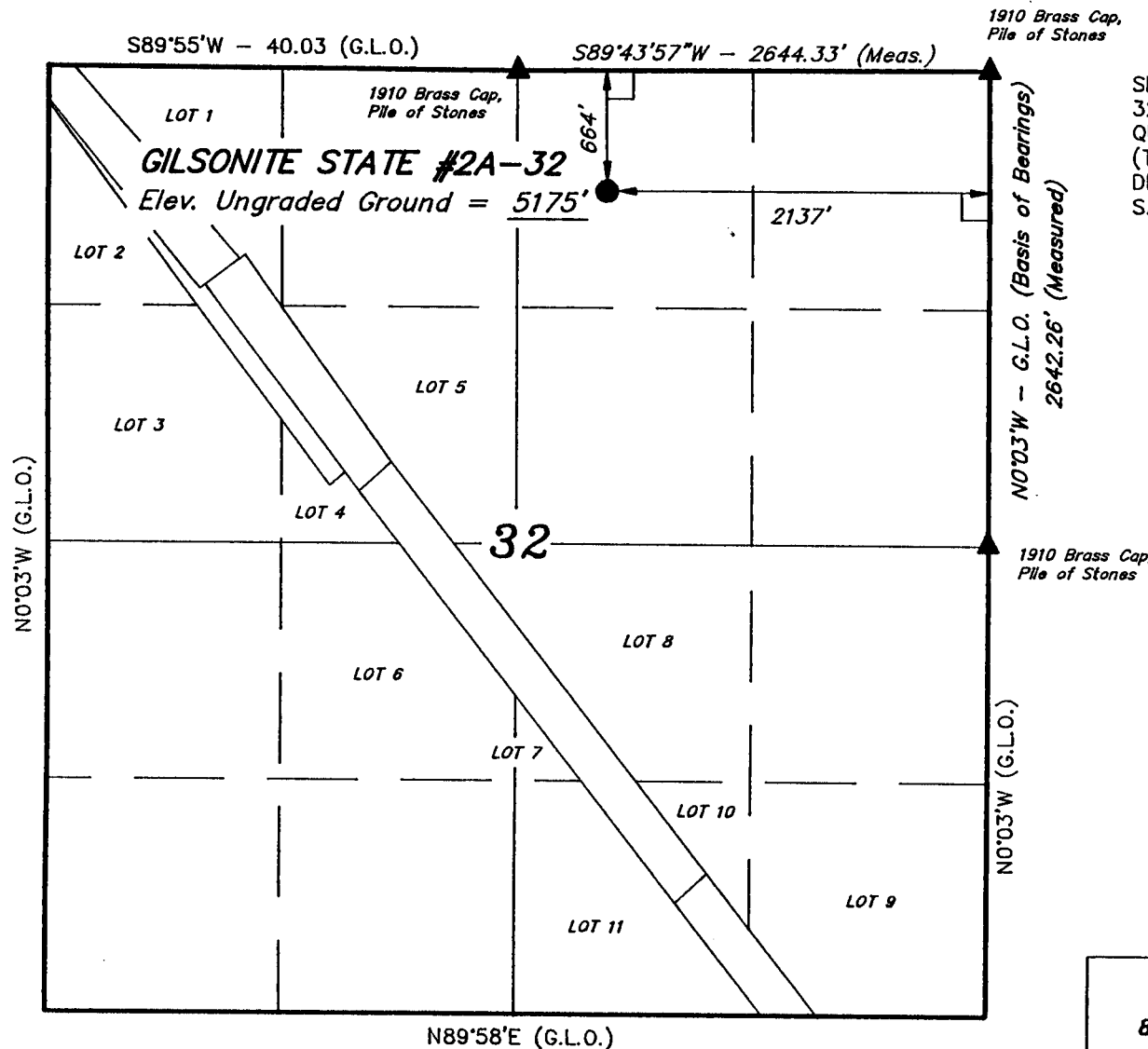
T8S, R17E, S.L.B.&M.

LOMAX EXPLORATION CO.

Well location, GILSONITE STATE #2A-32, located as shown in the NW 1/4 NE 1/4 of Section 32, T8S, R17E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 32, T8S, R17E, S.L.B.&M. TAKEN FROM THE MYTON SE QUADRANGLE, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5173 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 16131
 STATE OF UTAH
 ROBERT L. KAY

LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED. (Brass Caps)

EXHIBIT A

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 5-23-94	DATE DRAWN: 5-25-94
PARTY B.B. S.D. T.D.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LOMAX EXPLORATION CO.	

**LOMAX EXPLORATION COMPANY
GILSONITE STATE #2A-32
GILSONITE UNIT
NW/NE SECTION 32, T8S, R17E
DUCHESNE COUNTY, UTAH**

TEN POINT WELL PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' - 3030'
Green River	3030'
Wasatch	6070'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation 4800' - 5900' Oil

4. PROPOSED CASING PROGRAM

8 5/8", J-55, 24# w/ ST&C collars; set at 300' (New)
5 1/2", J-55, 15.5# w/ LT&C collars; set at TD (New)

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

The operators minimum specifications for pressure control equipment are as follows:

A 8" Double Ram Hydraulic unit with a closing unit will be utilized. Pressure test of BOPS's will be checked daily.

(See Exhibit D)

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

It is proposed that the hole be drilled with air to app. 4000' and with mud there after. The mud system will be a water based gel-chemical, weighted to 10.0 ppg as necessary for gas control.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. TESTING, LOGGING AND CORING PROGRAMS:

No drill stem testing has been scheduled for this well. It is anticipated at this time that the logging will consist of a Dual Induction Laterolog, Compensated Neutron-Formation Density Log, Formation Microscan and NMR Logs. Rotary diamond sidewall cores may be taken in prospective reservoirs. Logs will run from TD to 3500'. The cement log will be run from PBTD to cement top.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered; nor that any other abnormal hazards such as H₂S will be encountered in this area.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

It is anticipated that the drilling operations will commence in July, 1994 and take approximately 8 days to drill.

**LOMAX EXPLORATION COMPANY
GILSONITE STATE #2A-32**

LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Representative

Name: Brad Mecham
Address: P.O. Box 1446 Roosevelt, Utah 84066
Telephone: (801) 722-5103

Certification

Please be advised that LOMAX EXPLORATION COMPANY is considered to be the operator of Well #2A-32 NW/NE Section 32, Township 8S, Range 17E: Lease #ML-22060; Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

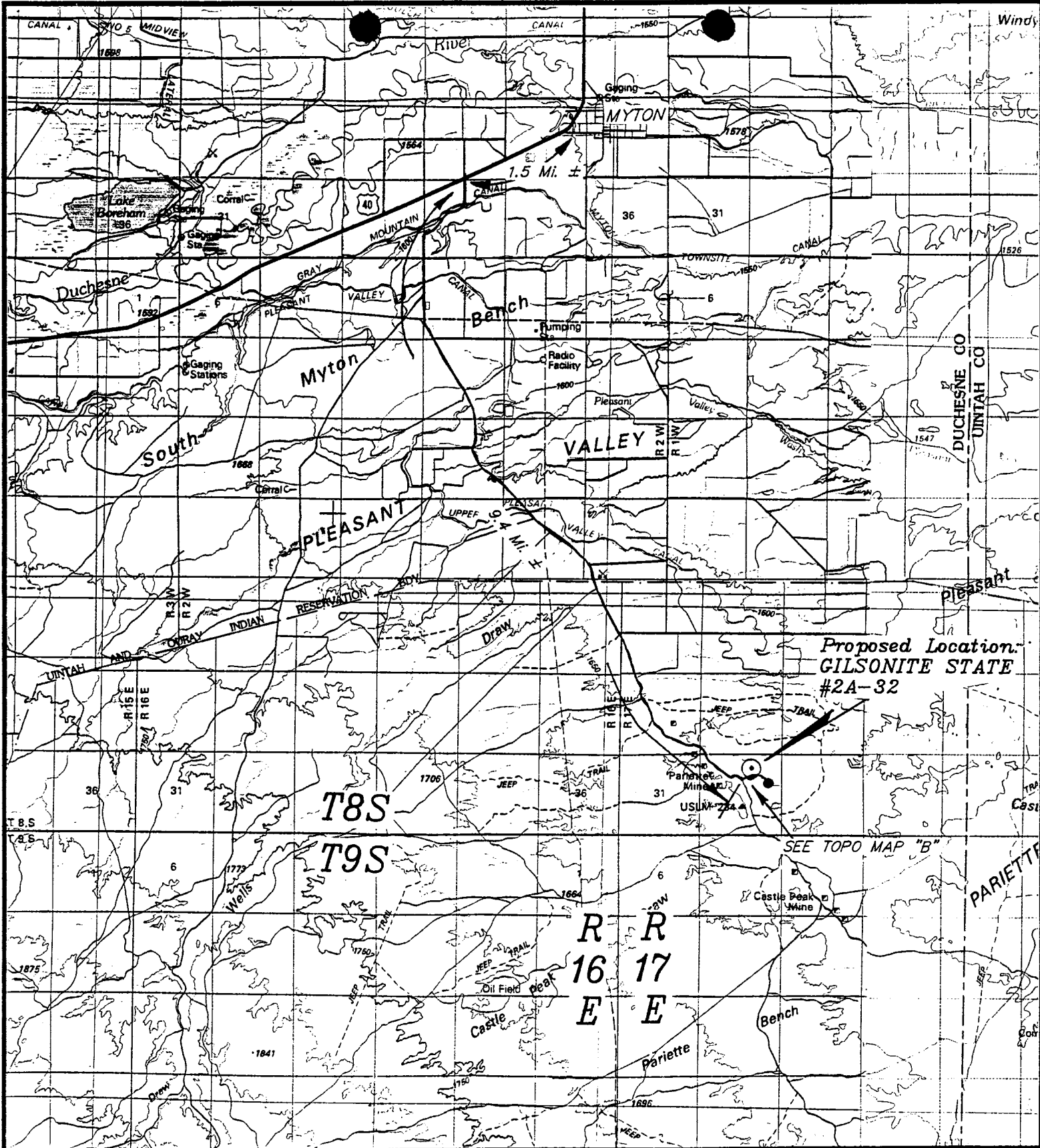
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Lomax Exploration Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

6-10-94

Date

Brad Mecham

Brad Mecham
Regional Production Manager



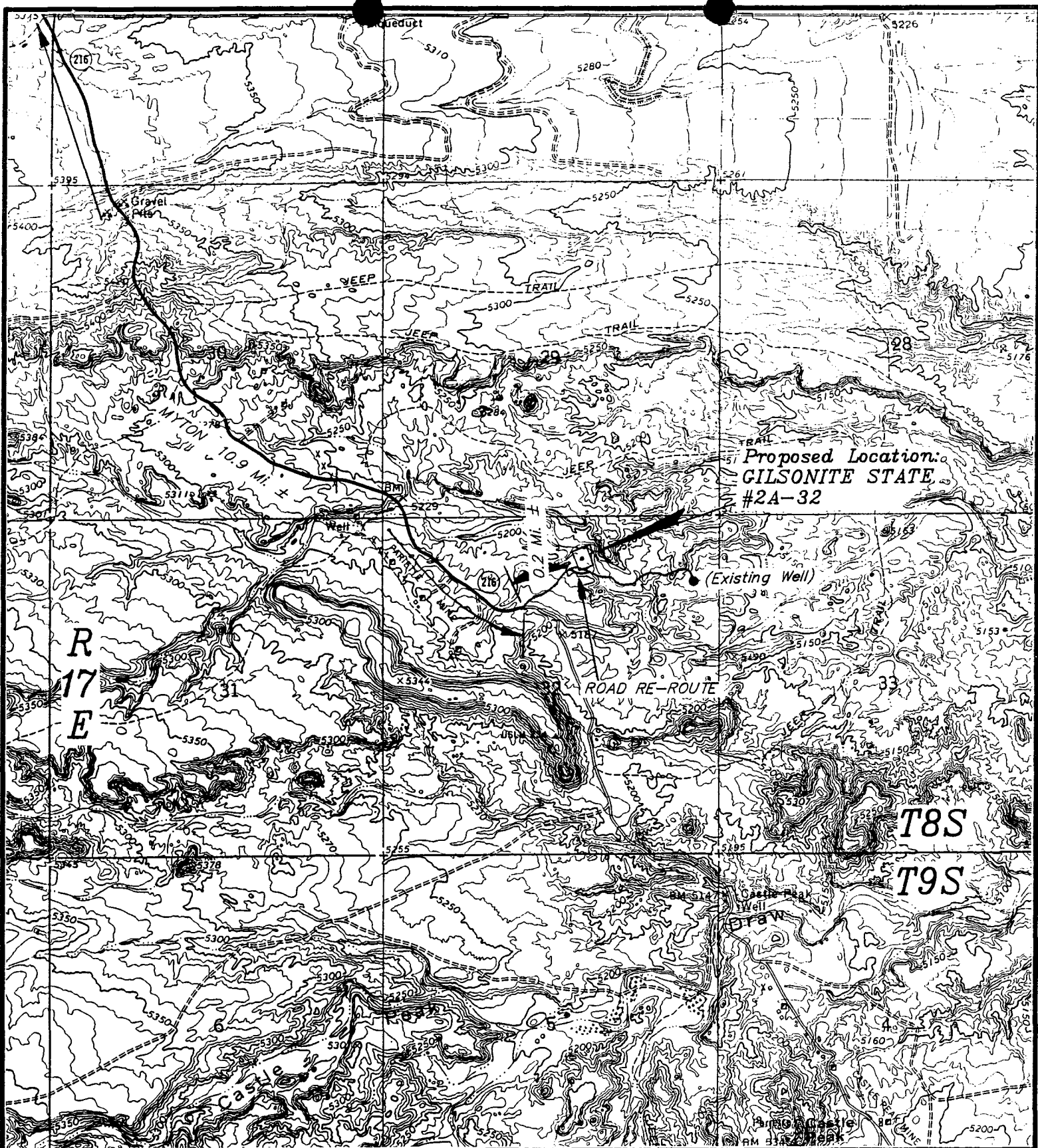
TOPOGRAPHIC
MAP "A"

DATE: 5-25-94 C.B.T.



LOMAX EXPLORATION CO.

GILSONITE STATE #2A-32
SECTION 32, T8S, R17E, S.L.B.&M.
664' FNL 2137' FEL



TOPOGRAPHIC
MAP "B"

SCALE: 1" = 2000'
DATE: 5-25-94 C.B.T.



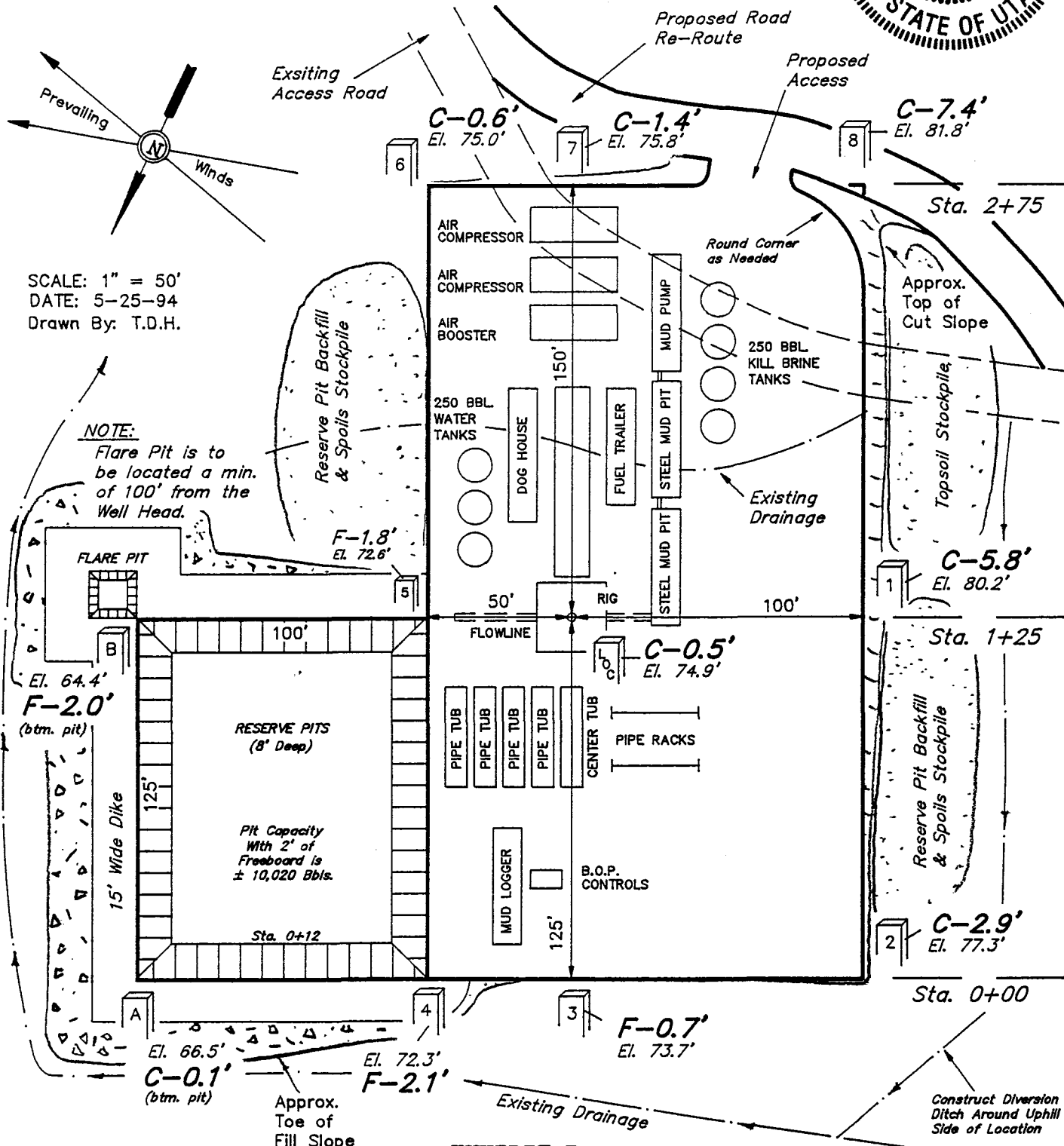
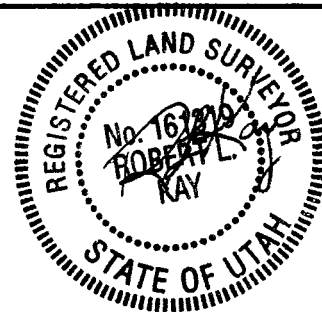
LOMAX EXPLORATION CO.

GILSONITE STATE #2A-32
SECTION 32, T8S, R17E, S.L.B.&M.
664' FNL 2137' FEL

LOMAX EXPLORATION CO.

LOCATION LAYOUT FOR

GILSONITE STATE #2A-32
SECTION 32, T8S, R17E, S.L.B.&M.
664' FNL 2137' FEL



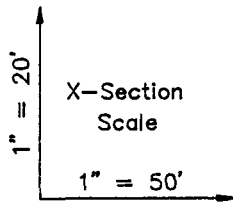
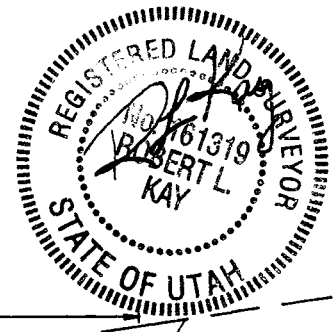
Elev. Ungraded Ground at Location Stake = 5174.9'

Elev. Graded Ground at Location Stake = 5174.4'

LOMAX EXPLORATION CO.

TYPICAL CROSS SECTION FOR

GILSONITE STATE #2A-32
SECTION 32, T8S, R17E, S.L.B.&M.
664' FNL 2137' FEL



DATE: 5-25-94
Drawn By: T.D.H.

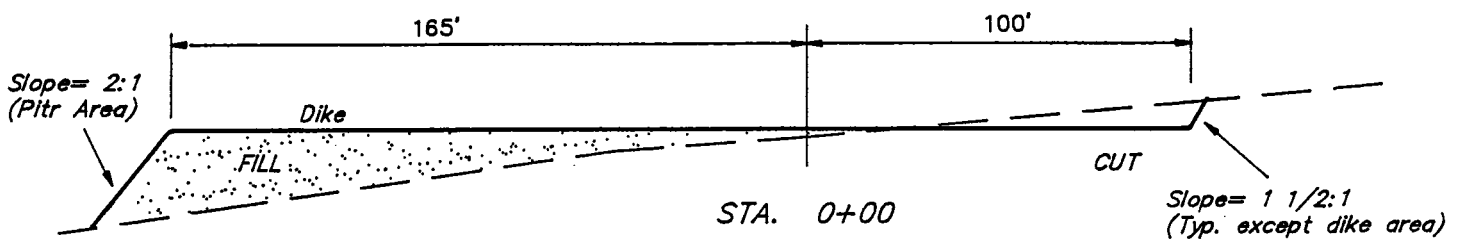
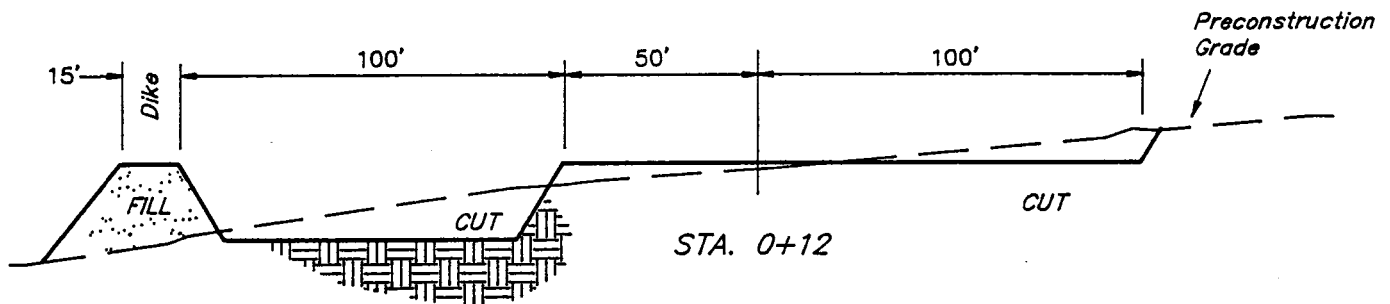
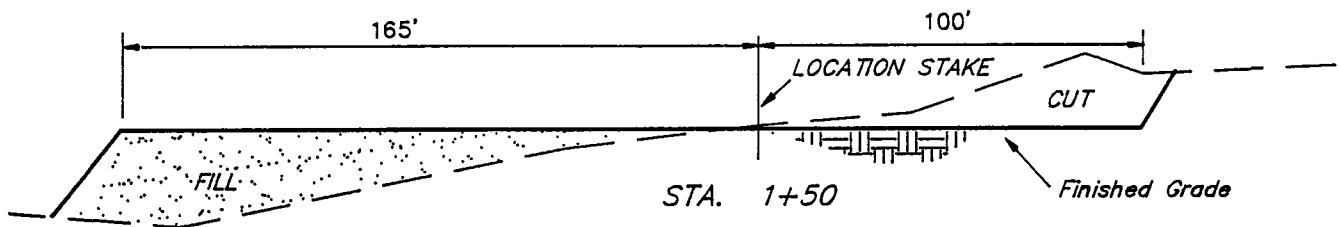
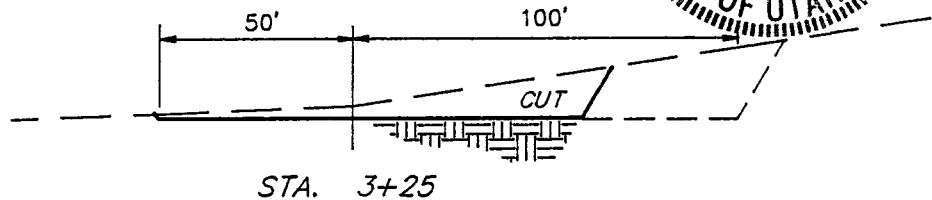


EXHIBIT C

NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	990 Cu. Yds.
Remaining Location	=	5,110 Cu. Yds.
TOTAL CUT	=	6,100 CU.YDS.
FILL	=	1,800 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,210 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,470 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	1,740 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

RAM TYPE B.O.P.

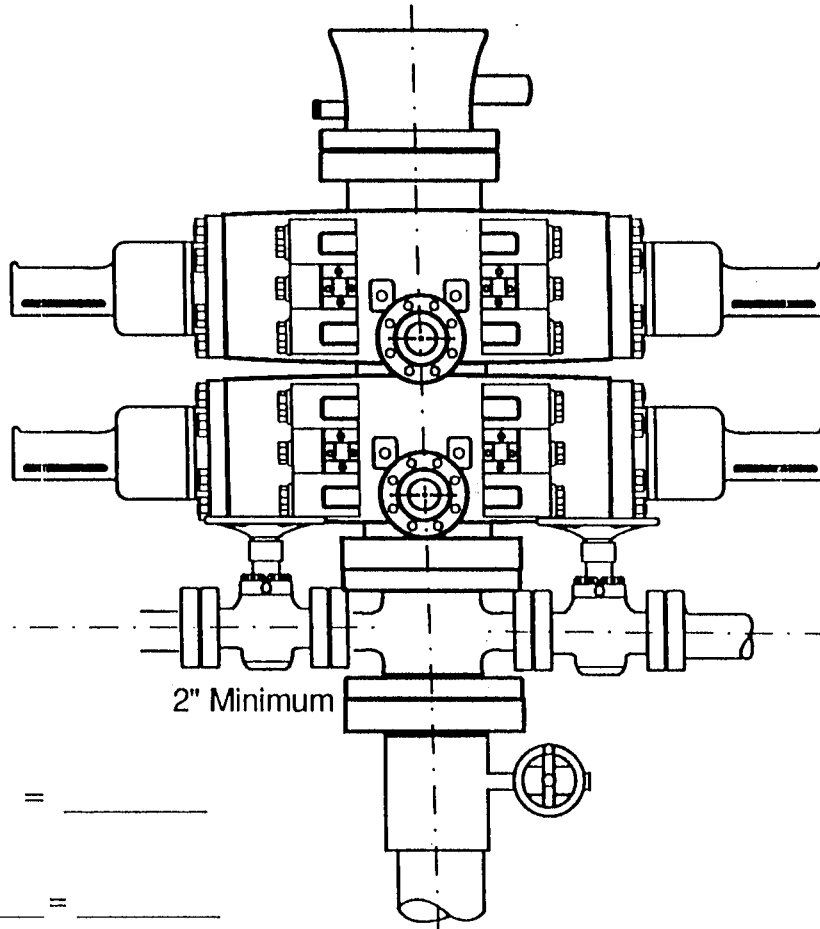
Make:

Size:

Model:

2-M SYSTEM

Page 4



2" Minimum

GAL TO CLOSE

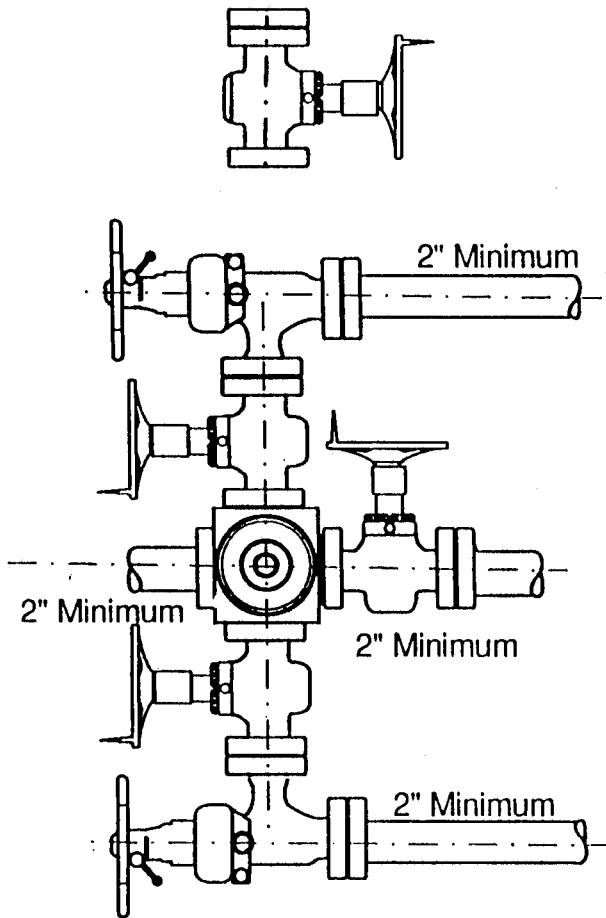
Annular BOP = _____

Ramtype BOP

_____ Rams x _____ = _____

= _____ Gal.

_____ x 2 = _____ Total Gal.



2" Minimum

2" Minimum

2" Minimum

2" Minimum

Rounding off to the next higher

increment of 10 gal. would require

_____ Gal. (total fluid & nitro volume)

EXHIBIT D

JOHNSON WATER DISTRICT
ROUTE 3 BOX 3188
ROOSEVELT, UT 84066
PHONE 722-2620

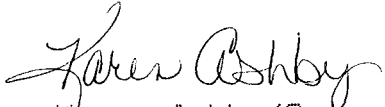
JUNE 9, 1994

TO WHOM IT MAY CONCERN:

Lomax Exploration Company has purchased a 3 inch water connection with Johnson Water District to supply Monument Butte oilfield.

Johnson Water District has given permission to Lomax Exploration Company to use water from our system for the purpose of drilling and completing the Gilsonite State #2A-32.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Ashby".

Karen Ashby/Secretary
Johnson Water District

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/13/94

API NO. ASSIGNED: 43-013-31453

WELL NAME: GILSONITE STATE 2A-32
OPERATOR: LOMAX EXPLORATION (N0580)

PROPOSED LOCATION:

NWNE 32 - T08S - R17E
SURFACE: 2137-FEL-0664-FNL
BOTTOM: 2137-FEL-0664-FNL
DUCHESNE COUNTY
MONUMENT BUTTE FIELD (105)

LEASE TYPE: STA
LEASE NUMBER: ML-22060

PROPOSED PRODUCING FORMATION: GRRV

INSPECT LOCATION BY: 06/30/94

TECH REVIEW	Initials	Date
Engineering	<i>MM</i>	7/6/94
Geology	<i>DJ</i> received 7/6/94	7/7/94
Surface	<i>DL</i>	6/20/94

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal[] State[] Fee[]
(Number # 4488944)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number)
☒ RDCC Review (Y/N)
(Date:)

LOCATION AND SITING:

☒ R649-2-3. Unit: GILSONITE UNIT
☒ R649-3-2. General.
___ R649-3-3. Exception.
___ Drilling Unit.
___ Board Cause no: _____
___ Date: _____

COMMENTS: _____

STIPULATIONS: _____

DRILLING LOCATION ASSESSMENT

State of Utah
Division of Oil, Gas and Mining

OPERATOR: __LOMAX EXPLORATION CO. __ WELL NAME: __GILSONITE ST 2A-32__
SECTION: __32__ TWP: __08S__ RNG: __17E__ LOC: __2137_FEL_664'_FNL__
QTR/QTR_NW/NE_County: __DUCHESNE__ FIELD: __MONUMENT BUTTE__
SURFACE OWNER: __STATE LANDS__
SURFACE AGREEMENT: _____
SPACING: __40__ F SECTION LINE _____ F QTR/QTR LINE __1059F__ ANOTHER WELL
GEOLOGIST: __DENNIS INGRAM__ DATE AND TIME: __9:30 A.M. 6/20/94. __
PARTICIPANTS __BRAD MECHAM (LOMAX), DENNIS INGRAM (DOGM), DAVID
HACKFORD (DOGM). _____

REGIONAL SETTING/TOPOGRAPHY

__SITE IS ACCESSED DRIVING SOUTH ON THE PARIETTE ROAD, _____
THEN EAST AFTER REACHING SECTION 32. ARID DESERT HABITAT WHICH _____
GENTLY SLOPES TO THE SOUTHEAST. DRY WASH PARALLELS LOCATION ON THE _____
EAST SIDE (CLOSE TO RESERVE PIT) AND COULD HOLD WATER DURING A RAIN _____
STORM. _____

LAND USE:

CURRENT SURFACE USE: __MOON'S HAVE A PERMIT FOR SHEEP GRAZING ON__
THIS LAND; WILDLIFE ALSO USE THIS AREA. _____

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE APPROXIMATELY _____
250 FEET WIDE AND 275 FEET LONG. A SHORT ACCESS ROAD FROM THE _____
SOUTH WILL BE BUILT FROM AN EXISTING EAST/WEST ROAD. _____
AFFECTED FLOODPLAINS AND/OR WETLANDS: RESERVE PIT WILL BORDER _____
NATURAL WASH TO THE WEST. OPERATOR WILL BUILD A DIVERTER _____
DIKE ON TWO SIDES OF PIT INCASE A STORM SHOULD CAUSE PROBLEMS. _____
FLORA/FAUNA: __RABBIT BRUSH, GREASEWOOD, SPARSE NATIVE GRASS. _____
ANTELOPE, COTTONTAIL & JACK RABBIT, COYOTE, BIRDS OF PREY. _____

ENVIRONMENTAL PARAMETERS

SURFACE GEOLOGY

SOIL TYPE AND CHARACTERISTICS: __LIGHT TAN TO GRAY CLAY _____
SOIL WITH OUTCROPPINGS OF SANDSTONE BENCHES. _____

SURFACE FORMATION & CHARACTERISTICS: __UINTA FORMATION. _____

EROSION/SEDIMENTATION/STABILITY: __ARID DESERT NEARLY VOID OF _____
RAINFALL. POTENTIAL EROSION PROBLEMS FROM ADJACENT WASH. _____

PALEONTOLOGICAL POTENTIAL: NONE.

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: OIL BARING SANDS IN THE GREEN RIVER FORMATION BETWEEN 4800' TO 5900'.

ABNORMAL PRESSURES-HIGH AND LOW: ANTICIPATED BOTTOM HOLE PRESSURE IS 1800 PSI. OPERATOR DOESN'T EXPECT ABNORMAL TEMPERATURES OR PRESSURE.

CULTURAL RESOURCES/ARCHAEOLOGY: NONE.

CONSTRUCTION MATERIALS: LOCATION WILL BE CONSTRUCTED WITH MATERIALS AT SITE USING CUT AND FILL AS NECESSARY.

SITE RECLAMATION: AS REQUIRED BY SURFACE OWNER (STATE LANDS) BACK TO ORIGINAL STATE.

RESERVE PIT

CHARACTERISTICS: 100' X 125' AND MADE OF EXISTING SOIL.

LINING: A LINING OF 12 MIL PLASTIC WAS AGREED ON BY INSPECTOR & OPERATOR. LINER WAS REQUESTED BECAUSE OF SOAP ADDITIVES USED WHEN AIR DRILLING.

MUD PROGRAM: AIRD FLUID TO 4000'. THEN KCL WATER OR GEL & WATER TO T.D.

DRILLING WATER SUPPLY: JOHNSON WATER DISTRICT.

OTHER OBSERVATIONS

STIPULATIONS FOR APD APPROVAL

1. PIT PLACED ON NORTH WEST CORNER IN CUT & FILL.
2. 12 MIL PLASTIC LINER USED TO CONTAIN FLUIDS.
3. DIVERTER BUILT ON NORTH & EAST SIDE OF RESERVE PIT TO PROTECT PIT FROM WASHOUT FROM POTENTIAL STORM.
4. LAND RECLAMATION AS REQUIRED BY STATE LANDS.

ATTACHMENTS

STATE OF UTAH

Operator: LOMAX EXPLORATION	Well Name: GILSONITE STATE 2A-3
Project ID: 4301331453	Location: SEC. 32-T08S-R17E

Design Parameters:

Mud weight (10.00 ppg) : 0.519 psi/ft
 Shut in surface pressure : 2684 psi
 Internal gradient (burst) : 0.072 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using buoyed weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	6,000	5.500	15.50	J-55	LT&C	6,000	4.825	
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load Strgth S.F. (kips) (kips)	
1	3117	4040	1.296	3117	4810	1.54	78.78	217 2.75 J

Prepared by : FRM, Salt Lake City, UT

Date : 07-06-1994

Remarks :

Minimum segment length for the 6,000 foot well is 1,000 feet.

SICP is based on the ideal gas law, a gas gravity of 0.75, and a mean gas temperature of 104°F (Surface 74°F, BHT 134°F & temp. gradient 1.000°/100 ft.)

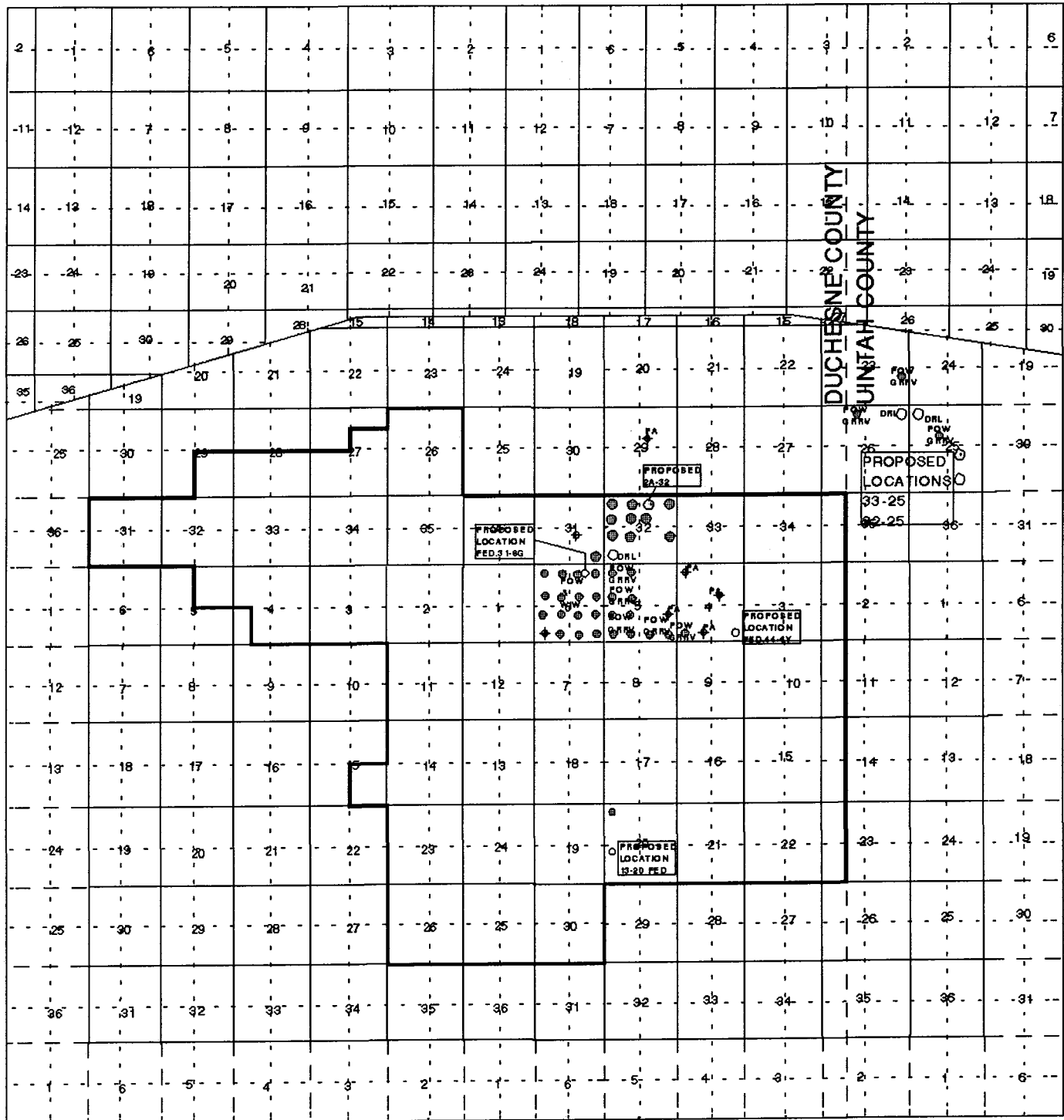
The mud gradient and bottom hole pressures (for burst) are 0.519 psi/ft and 3,117 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guide-line, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1987 pricing model. (Version 1.06)

MONUMENT BUTTE

T 1 W

R 1 E



T 4 S

T 8 S

T 9 S

R 16 E

R 17 E

DUCHESNE COUNTY

FIELD 105 ACTIVE

1. R/H w/ 174 Jts (58 STANDS) (Total 0 Jts out)
2. L.O. 1st to 5304.04
3. Pump 100' Cement plug From 5304 - 5204 (Total 1 Jt out)
4. L.O. 36 Jts to 4205.40 #2 Plug
5. Pump 100' Cement plug From 4205.4 to 4105.4 (Total 37 Jts out)
6. L.O. 72 Jts to 2001.76
7. Pump 200' Cement plug From 2002 to 1802 (Total 109 Jts out)
8. Stand back 2 stands L.O. 6 Jts
9. W/O Cement 3-4 Hrs
10. R/H w/ 2 stands, top Cement top (half way in on Last Jt)
11. Stand back the same 2 stands (Total 121 Jts out Including 6 in Derrick)
12. L.O. 41 Jts to 371.82'
13. Pump 100' Cement plug From 371.8 to 271.8' (Total Jts out 162 Including 6 in Derrick)
14. L.A. Lost 12 Jts in Hole
15. R/H w/ 6 Jts (2 stands) out of Derrick
16. L.O. 4 Jts
17. Pump surface plug
18. L.O. Lost 2 Jts

Proposed Plugs

#1	5300 - 5200	100'
#2	4200 - 4100	100'
	2000 - 1800	200'
	350 250	100'
	10SK	

2nd plug. 100 ST Class 6 290 Cact 1.114 yd/d
4.97 Gallons per ST.

Tagged @ 1799' LDDP.

CMT @ 371' to 251 35 ST Class 6 Nest

LDDP Check-hole stayed full

CMT 45' to surface. Class 6 nest. Stopped pumping
when good CMT. to flow line.

Will install post after Christmas before
new year.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

July 8, 1994

Lomax Exploration
P.O. Box 1446
Roosevelt, Utah 84066

Re: Gilsonite State #2A-32 Well, 664' FNL, 2137' FEL, NW NE, Sec. 32, T. 8 S., R. 17 E., Duchesne County, Utah

Gentlemen:

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

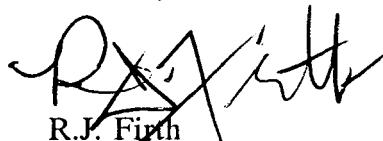
1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.

Page 2
Lomax Exploration
Gilsonite State #2A-32 Well
July 8, 1994

6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-013-31453.

Sincerely,



R.J. Firth
Associate Director

ldc
Enclosures
cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office
WO11

Lomax Exploration Company

P.O. Box 1446
Roosevelt, Utah 84066
(801) 722-5103
FAX (801) 722-9149

October 13, 1994



*State of Utah
Division of Oil, Gas & Mining
ATTN: Dan Jarvis
355 West North Temple
Three Triad Center - Suite 350
Salt Lake City, Utah 84180-1203*

*RE: Gilsonite State# 2A-32
NW/NW Section 32, T8S, R17E
Duchesne Co., Utah*

Dear Mr. Jarvis:

Due to the change in drilling contractors, for the above referenced wells, Lomax Exploration is requesting a change in location size.

A copy of the Mon. Butte #7-34 location layout is included to show location size needed.

If you have any questions concerning this matter, please call me at our Roosevelt office, (801) 722-5103.

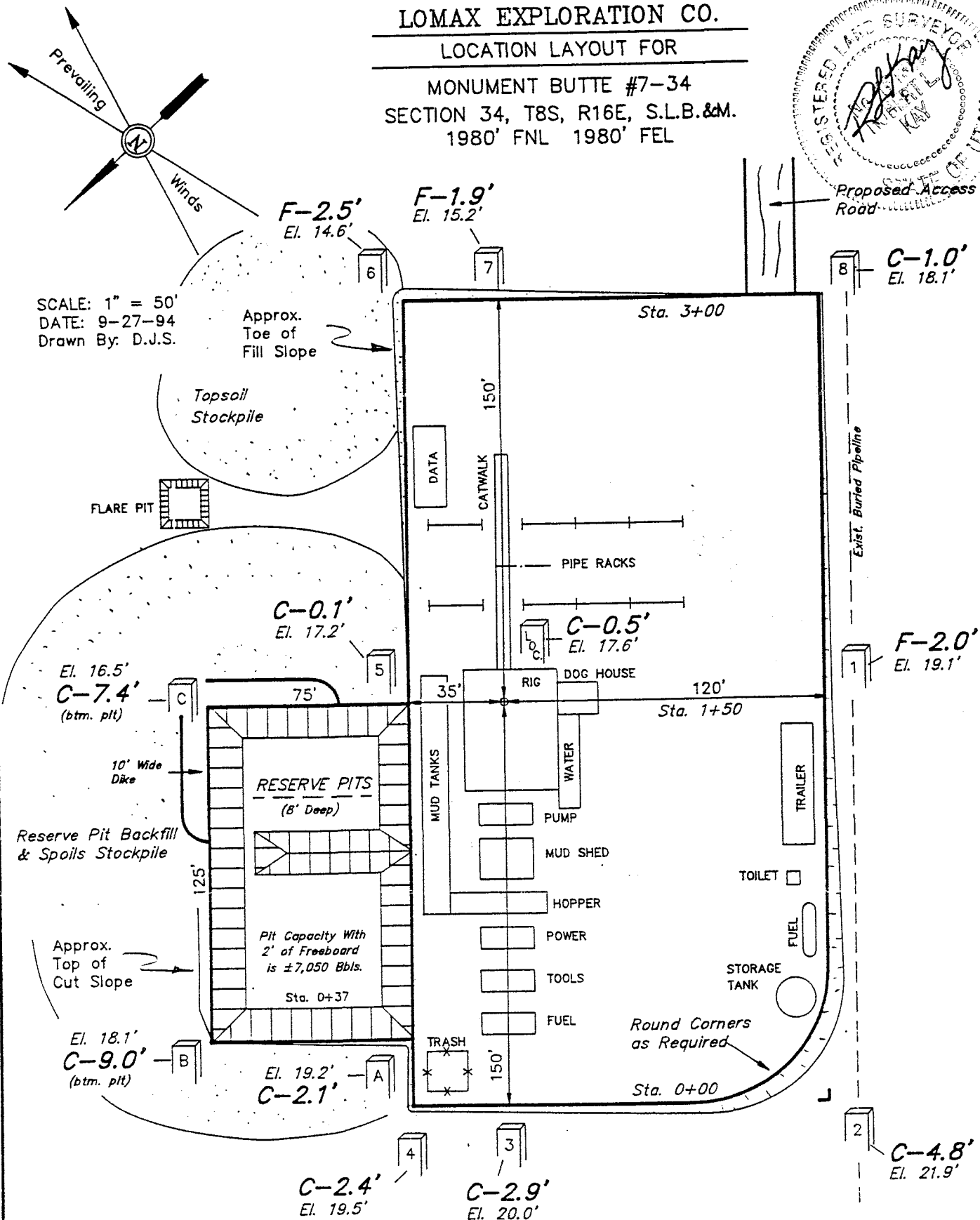
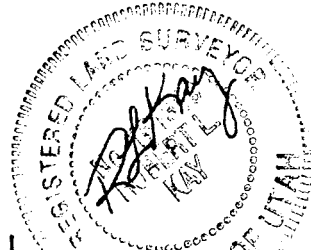
Sincerely,

A handwritten signature in cursive script, appearing to read "Brad Mecham".

*Brad Mecham
Regional Production Manager*

*bm/cc
Enclosures*

LOMAX EXPLORATION CO.
LOCATION LAYOUT FOR
MONUMENT BUTTE #7-34
SECTION 34, T8S, R16E, S.L.B.&M.
1980' FNL 1980' FEL



Elev. Ungraded Ground at Location Stake = 5617.6'

Elev. Graded Ground at Location Stake = 5617.1'

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
LOMAX EXPLORATION COMPANY

3. Address and Telephone No.
P.O. Box 1446' Roosevelt, Utah (801) 722-5103

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL 660' FWL SW/NW
Section 33, T8S, R16E

5. Lease Designation and Serial No.
U-34173-UTU68528A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
Travis Unit

8. Well Name and No.
#5-33

9. API Well No.
43-013-31435

10. Field and Pool, or Exploratory Area
Undesignated

11. County or Parish, State
Duchesne
Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other <u>Spud</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

LOMAX EXPLORATION REPORTS THAT THE TRAVIS FEDERAL #5-33 WAS SPUDDED @ 12:00 PM, ON 10/25/94. A 12 1/2" HOLE WAS DRILLED TO 310' BY LEON ROSS DRILLING. 302.59' OF 8 5/8" CSG WAS SET & CEMENTED W/ 240 SKX OF CLASS G CMT.

EXETER DRILLING RIG #46 IS ANTICIPATED TO MOVE ON LOCATION 10/29/94.

14. I hereby certify that the foregoing is true and correct

Signed Brad Mecham Title Regional Production Manager Date 10/27/94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

***See Instruction on Reverse Side**

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:

ML 22060

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Gilsonite Unit

8. Well Name and Number:

Gilsonite State #2A-32

9. API Well Number:

43-013-31453

10. Field and Pool, or Wildcat:

Gilsonite State

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

LOMAX EXPLORATION COMPANY

3. Address and Telephone Number:

P.O. Box 1446 Roosevelt, Utah 84066 (801) 722-5103

4. Location of Well

Footages: 2137' FEL 664' FNL NW/NE

QQ, Sec., T., R., M.: Sec 32, T8S, R17E

County: Duchesne

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | Weekly Status _____ |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Building Location, waiting to set surface casing.

13.

Name & Signature: Brad Mecham



Title: Operations Manager

Date: 11/7/94

(This space for State use only)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:
Lomax Exploration Company

3. Address and Telephone Number:
P.O. Box 1446 Roosevelt, Utah 84066 (801) 722-5103

4. Location of Well
Footages: 2137' FEL 664' FNL NW/NE
Section 32, T8S, R17E
QQ, Sec., T., R., M.:

5. Lease Designation and Serial Number:
ML-22060

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Gilsonite Unit

8. Well Name and Number:

Gilsonite State

9. API Well Number:

#2A-32

10. Field and Pool, or Wildcat:
Monument Butte

County: Duchesne
State: Utah

43-013-31453

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other <u>Weekly Status</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WEEKLY STATUS REPORT :

Finished building location. Waiting to set surface csg.

Waiting on Rathole rig to drill surface.

13.

Name & Signature: Brad Mecham

Brad Mecham

Title: Operations Manager

Date: 11/11/94

(This space for State use only)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: LOMAX EXPLORATION

WELL NAME: GILSONITE STATE 2A-32

API NO. 43-013-31453

Section 32 Township 8S Range 17E County DUCHESNE

Drilling Contractor

Rig #

SPUDDED: Date 11/21/94

Time

How DRY HOLE

Drilling will commence

Reported by D. INGRAM-DOGM

Telephone #

Date 11/22/94 SIGNED JLT

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR Lomax Exploration Company
ADDRESS P.O. Box 1446
Roosevelt, Utah 84066

OPERATOR ACCT. NO. N 0580

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	11486	43-013-31453	Gilsonite State #2A-32	NWNE	32	T8S	R17E	Duchesne	11/18/94	11/18/94
WELL 1 COMMENTS: <i>Entity added 12-13-94. (Gilsonite Unit)</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

Brad Mecham
Signature
Operations Manager 12/8/94
Title Date
Phone No. (801) 722-5103

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

Lomax Exploration Company

3. Address and Telephone Number:

P.O. Box 1446 Roosevelt, Utah 84066 (801) 722-5103

4. Location of Well 2137' FEL 664' FNL NW/NE

Footages: Sec. 32, T8S, R17E

QQ, Sec., T., R., M.:

5. Lease Designation and Serial Number:

ML 22060

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Gilsonite State

8. Well Name and Number:

Gilsonite State 2A-32

9. API Well Number:

43-013-31453

10. Field and Pool, or Wildcat:

Gilsonite State

County: Duchesne

State: Utah

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other <u>Weekly Status</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WEEKLY STATUS REPORT FROM 11/8/94 - 12/8/94:

Spud @ 11:00 AM 11/18/94 w/ Leon Ross Rathole Rig. Drilled 315' of 12 1/4" hole. Set 8 5/8" csg. Waiting on Drilling rig.

13.

Name & Signature: Brad Meeham

Brad Meeham

Title: Operations Manager

Date: 12/8/94

(This space for State use only)

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File GILSONITE STATE
2-A-32
(Location) Sec 32 Twp 08 Rng 17E
(API No.) 43-013-31453

☐ Suspense

(Return Date) _____

(To - Initials) _____

☐ Other

1. Date of Phone Call: 12/22/94 Time: 6:30 PM

2. DOGM Employee (name) Frank Matthews (Initiated Call ☐)
Talked to:

Name Kibby (Initiated Call ☒) - Phone No. (801) 722-5103
of (Company/Organization) Loman Exploration

3. Topic of Conversation: P#A well. TD 6000'

4. Highlights of Conversation: Plug #1 5300-5200' cmt.

plug #2

4200'-4100'

plug #3

2000'-1800' Tag

plug #4

250 - 300' surface

plug #5

10 sk. @ surface

- Wennis Ingram to witness -

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

JAN 17 1995

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: _____		5. Lease Designation and Serial Number: ML-22060
2. Name of Operator: LOMAX EXPLORATION COMPANY		6. If Indian, Allottee or Tribe Name: _____
3. Address and Telephone Number: P.O. BOX 1446, Roosevelt, Utah 84066 (801) 722-5103		7. Unit Agreement Name: Gilsonite Unit
4. Location of Well Footages: 2137' FEL 664' FNL NW/NE QQ, Sec., T., R., M.: Sec. 32, T8S, R17E		8. Well Name and Number: Gilsonite State #2A-32
		9. API Well Number: 43-013-31453
		10. Field and Pool, or Wildcat: Monument Butte
		County: Duchesne State: Utah

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

12/24/94: Plugged & Abandoned Gilsonite State #2A-32 as per telecon approval w/ Mike Hebertson on 12/23/94.

See attached downhole diagram for cement plugs and footage's.

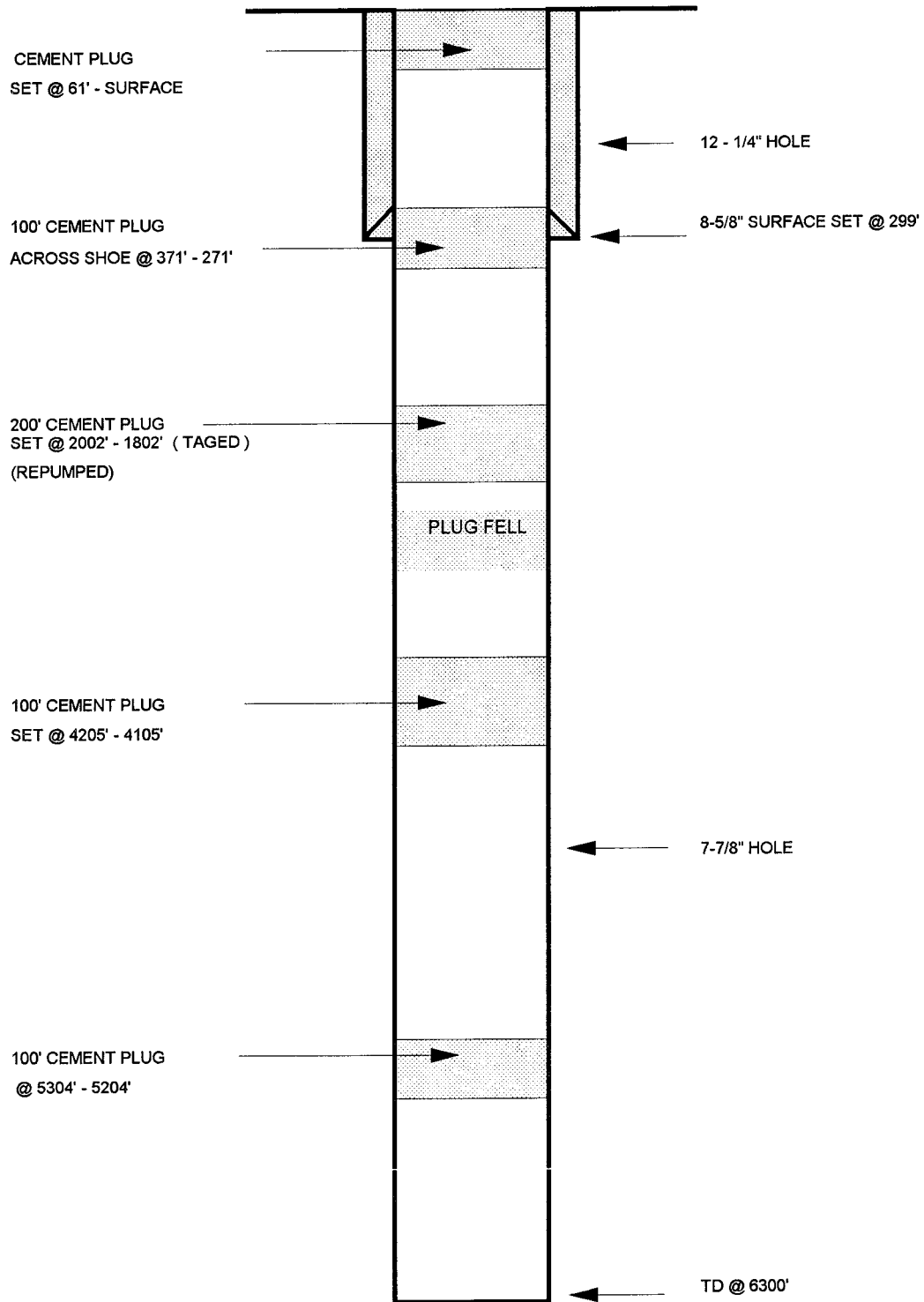
W/O contractor to restore location & road. Reseeding to be done when conditions allow.

13.

Name & Signature: Brad Mechem *Brad Mechem* Title: Operations Manager Date: 1/9/95

(This space for State use only)

GILSONITE STATE 2A-32
NW/NE SEC 32, T8S, R17E
DUCHESNE CO. UTAH



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML-22060

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Gilsonite Unit

8. FARM OR LEASE NAME

Gilsonite State

9. WELL NO.

#2A-32

10. FIELD AND POOL, OR WILDCAT

Gilsonite

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 32, T8S, R17E

12. COUNTY OR PARISH

Duchesne

13. STATE

UT

19. ELEV. CASINGHEAD

1a. TYPE OF WELL:

OIL WELL ☐

GAS WELL ☐

DRY ☐

b. TYPE OF COMPLETION:

NEW WELL ☐

WORK OVER ☐

DEEP-EN ☐

PLUG BACK ☐

DIFF. RESRV. ☐

Other

2. NAME OF OPERATOR

Lomax Exploration Company

3. ADDRESS OF OPERATOR

P.O. Box 1446 Roosevelt, Utah 84066

4. LOCATION OF WELL (Report location clearly and in accordance with instructions on reverse side)

At surface NW/NE

At top prod. interval reported below 2137' FEL 664' FNL

At total depth

14. PERMIT NO.

43-013-31453

DATE ISSUED

7/8/94

15. DATE SPUDDED

11/19/94

16. DATE T.D. REACHED

12/22/94

17. DATE COMPL. (Ready to prod.)

P & A 12/21/94

18. ELEVATIONS (DF, RKB, RT, GR, ETC.) *

5175 GR

20. TOTAL DEPTH, MD & TVD

6000'

21. PLUG, BACK T.D., MD & TVD

Surface

22. IF MULTIPLE COMPL., HOW MANY *

Not Completed

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

X

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) *

NONE

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

Dual Laterolog, Litho Density

27. WAS WELL CORED

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24#	315'	12 1/4	235 Sx Class G 2/2% CaCl	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

NONE

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
N/A		Plugged & Abandoned				P & A	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
			→				
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Attachment "A" DHD

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

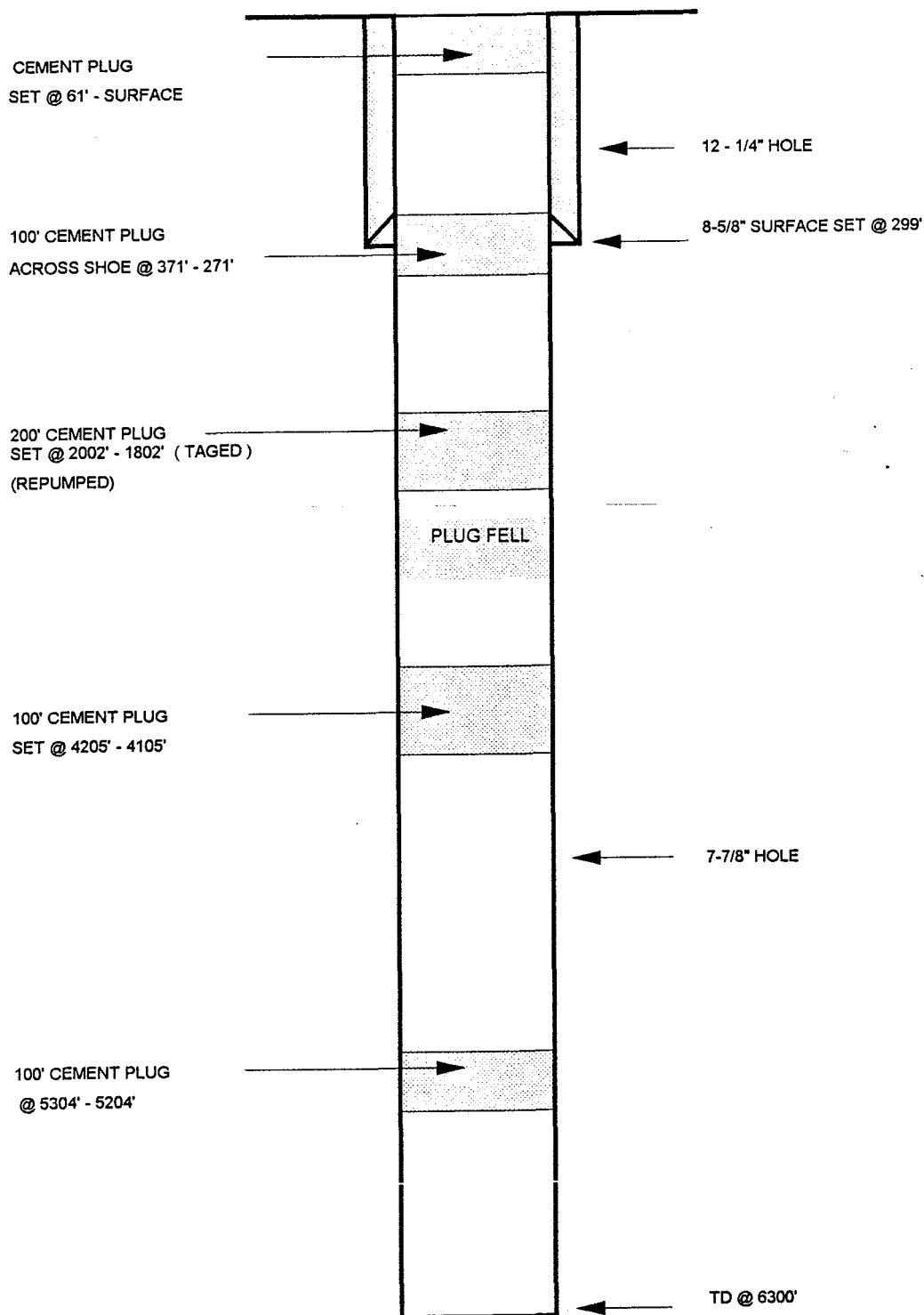
SIGNED Brad Mecham TITLE Operations Manager

DATE 3/28/95

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GILSONITE STATE 2A-32
NW/NE SEC 32, T8S, R17E
DUCHESNE CO. UTAH



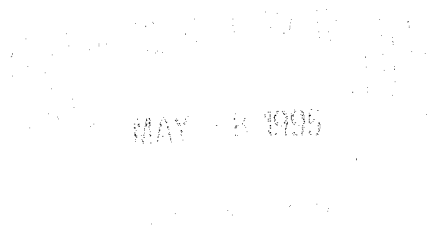
Lomax Exploration Company

P.O. Box 1446
Roosevelt, Utah 84066
(801) 722-5103
FAX (801) 722-9149

May 2, 1995



*State of Utah
Division of Oil, Gas & Mining
355 West North Temple
Three Triad Center - Suite 350
Salt Lake City, Utah 84180-1203*




ATTENTION: Vicky Carney

RE: Gilsonite State #2A-32
Sec. 32, T8S, R17E
Duchesne County, Utah
API # 43-013-31453
PA 12-24-94

Dear Vicky,

Enclosed are the Dual Laterolog & the Litho Density logs on the above referenced well, that were unavailable to send out to you earlier. I hope this hasn't caused you any inconvenience.

If you have any questions, please do not hesitate to call me at the Roosevelt office, (801) 722-5103.

Sincerely,

Brad Mecham
Operations Manager

*Enclosures
/cc*

43-013-91953

Lomax Exploration Company

P.O. Box 1446
Roosevelt, Utah 84066
(801) 722-5103
FAX (801) 722-9149

April 27, 1995



*State of Utah
Division of Oil, Gas & Mining
355 West North Temple
Three Triad Center - Suite 350
Salt Lake City, Utah 84180-1203*

RECEIVED
MAY - 8 1995


ATTENTION: Vicky Carney

RE: *Gilsonite State #2A-32
NW/NE Sec. 32, T8S, R17E
Duchesne County, Utah*

Dear Vicky,

Enclosed is a "revised" Well Completion Report, on the above referenced well, which includes the Geological Top information, item #37. Also sending the Litho Densiy, and the Dual Laterolog. I hope this delay hasn't caused you any inconvenience.

If you have any questions, please do not hesitate to call me at the Roosevelt office, (801) 722-5103.

Sincerely,

Brad Mecham
Operations Manager

*Enclosures
/cc*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:		OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	DRY <input type="checkbox"/>	Other <u>P&A</u>		
b. TYPE OF COMPLETION:		NEW WELL <input type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	Other <u>Revised</u>
2. NAME OF OPERATOR <u>Lomax Exploration Company</u>						7. UNIT AGREEMENT NAME <u>Gilsonite Unit</u>	
3. ADDRESS OF OPERATOR <u>P.O. Box 1446 Roosevelt, UT 84066</u>						8. FARM OR LEASE NAME <u>Gilsonite State</u>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* <u>At surface NW/NE 2137' FEL 664' FNL</u> <u>At top prod. interval reported below</u> <u>At total depth</u>						9. WELL NO. <u>2A-32</u>	
14. PERMIT NO. <u>43-013-31453</u>						DATE ISSUED <u>7/8/94</u>	
15. DATE SPUDDED <u>11/19/94</u>		16. DATE T.D. REACHED <u>12/22/94</u>		17. DATE COMPL. (Ready to prod.) <u>P&A</u>		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	
19. ELEV. CASINGHEAD		20. TOTAL DEPTH, MD & TVD <u>6000'</u>		21. PLUG, BACK T.D., MD & TVD <u>Surface</u>		22. IF MULTIPLE COMPL., HOW MANY* <u>Not Completed</u>	
23. INTERVALS DRILLED BY <u>→</u>		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* <u>NONE</u>		25. WAS DIRECTIONAL SURVEY MADE <u>No</u>		26. TYPE ELECTRIC AND OTHER LOGS RUN <u>Dual Laterolog, Litho Density 5-8-95</u>	
27. WAS WELL CORED <u>No</u>		28. CASING RECORD (Report all strings set in well)					
CASINO SIZE <u>8 5/8</u>		WEIGHT, LB./FT. <u>24#</u>		DEPTH SET (MD) <u>315'</u>		HOLE SIZE <u>12 1/4</u>	
CEMENTING RECORD <u>235 sx Class G w/ 2% CaCl</u>		AMOUNT PULLED					
29. LINER RECORD		30. TUBING RECORD					
SIZE <u></u>		TOP (MD) <u></u>		BOTTOM (MD) <u></u>		SACKS CEMENT* <u></u>	
SCREEN (MD) <u></u>		SIZE <u></u>		DEPTH SET (MD) <u></u>		PACKER SET (MD) <u></u>	
31. PERFORATION RECORD (Interval, size and number) <u>NONE</u>				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD) <u></u>				AMOUNT AND KIND OF MATERIAL USED <u></u>			
33.* PRODUCTION				WELL STATUS (Producing or shut-in) <u>P&A</u>			
DATE FIRST PRODUCTION <u>N/A</u>		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) <u>Plugged & Abandoned</u>				GAS-OIL RATIO <u></u>	
DATE OF TEST <u></u>		HOURS TESTED <u></u>		CHOKE SIZE <u></u>		PROD'N. FOR TEST PERIOD <u>→</u>	
OIL—BBL. <u></u>		GAS—MCF. <u></u>		WATER—BBL. <u></u>		OIL GRAVITY-API (CORR.) <u></u>	
FLOW. TUBING PRESS. <u></u>		CASING PRESSURE <u></u>		CALCULATED 24-HOUR RATE <u>→</u>		OIL GRAVITY-API (CORR.) <u></u>	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) <u></u>						TEST WITNESSED BY <u></u>	
35. LIST OF ATTACHMENTS <u>Above Logs listed in Item #26</u>							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED <u>Brad Mecham</u>		TITLE <u>Operations Manager</u>				DATE <u>4/27/95</u>	

*(See Instructions and Spaces for Additional Data on Reverse Side)

38.

MEAS. DEPTH

TRUE
VERT. DEPTH

[illegible]



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
1595 WYNKOOP STREET
DENVER, CO 80202-1129
<http://www.epa.gov/region8>

NOV 09 2009

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Eric Sundberg
Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

RECEIVED

NOV 17 2009

DIV. OF OIL, GAS & MINING

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Re: FINAL Permit
EPA UIC Permit UT21187-08160
Well: Gilsonite State 2A-32-8-17
NWNE Sec. 32-T8S-R17E
Duchesne County, UT
API No.: 43-013-31453

Dear Mr. Sundberg:

Enclosed is your copy of the FINAL Underground Injection Control (UIC) Permit for the proposed Gilsonite State 2A-32-8-17 injection well. A Statement of Basis that discusses the conditions and requirements of this EPA UIC Permit, is also included.

The Public Comment period for this Permit ended on **SEP 26 2009**. No comments on the Draft Permit were received during the Public Notice period; therefore the Effective Date for this EPA UIC Permit is the date of issuance. All conditions set forth herein refer to Title 40 Parts 124, 144, 146, and 147 of the Code of Federal Regulations (CFR) and are regulations that are in effect as of the Effective Date of this Permit.

Please note that under the terms and conditions of this Final Permit you are authorized only to construct the proposed injection well. Prior to commencing injection, you first must fulfill all "Prior to Commencing Injection" requirements of the Final Permit, Part II Section C.1, and obtain written Authorization to Inject from the EPA. It is your responsibility to be familiar with and to comply with all provisions of your Final Permit. The EPA forms referenced in the permit are available at <http://www.epa.gov/safewater/uic/reportingforms.html>. Guidance documents for Cement Bond Logging, Radioactive Tracer testing, Step Rate testing, Mechanical Integrity demonstration, Procedure in the Event of a Mechanical Integrity Loss, and other UIC guidances, are available at http://www.epa.gov/region8/water/uic/deep_injection.html. Upon request, hard copies of the EPA forms and guidances can be provided.

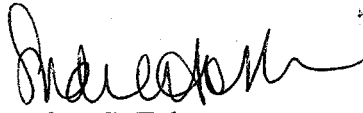


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This EPA UIC Permit is issued for the operating life of the well unless terminated (Part III, Section B). The EPA may review this Permit at least every five (5) years to determine whether any action is warranted pursuant to 40 CFR § 144.36(a).

If you have any questions on the enclosed Final Permit or Statement of Basis, please call Jason Deardorff of my staff at (303) 312-6583, or toll-free at (800) 227-8917, ext. 312-6583.

Sincerely,


for Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

enclosure: Final UIC Permit
Statement of Basis

cc: Uintah & Ouray Business Committee:
Curtis Cesspooch, Chairman
Ronald Groves, Councilman
Irene Cuch, Vice-Chairwoman
Steven Cesspooch, Councilman
Phillip Chimburas, Councilman
Frances Poowegup, Councilwoman

Daniel Picard
BIA - Uintah & Ouray Indian Agency

All Enclosures:

Ferron Secakuku
Director, Natural Resources
Ute Indian Tribe

Larry Love
Director of Energy & Minerals Dept.
Ute Indian Tribe



Gil Hunt
Associate Director
Utah Division of Oil, Gas, and Mining

Fluid Minerals Engineering Office
BLM - Vernal Office

Michael Guinn
District Manager
Newfield Production Company
Myton, Utah





UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT

PREPARED: May 2009

Permit No. UT21187-08160

**Gilsonite State 2A-32-8-17
Duchesne County, UT**

Issued To

Newfield Production Co.
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

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**UNDERGROUND INJECTION CONTROL PROGRAM
PERMIT**

PREPARED: May 2009

Permit No. UT21187-08160

**Gilsonite State 2A-32-8-17
Duchesne County, UT**

Issued To

Newfield Production Co.
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

Part I. AUTHORIZATION TO CONSTRUCT AND OPERATE

Under the authority of the Safe Drinking Water Act and Underground Injection Control (UIC) Program regulations of the U. S. Environmental Protection Agency (EPA) codified at Title 40 of the Code of Federal Regulations (40 CFR) Parts 2, 124, 144, 146, and 147, and according to the terms of this Permit,

Newfield Production Co.
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

is authorized to construct and to operate the following Class II injection well or wells:

Gilsonite State 2A-32-8-17
2137' FEL & 664 FNL, NWNE S32, T8S, R17E
Duchesne County, UT

EPA regulates the injection of fluids into injection wells so that injection does not endanger underground sources of drinking water (USDWs). EPA UIC Permit conditions are based on authorities set forth at 40 CFR Parts 144 and 146, and address potential impacts to USDWs.

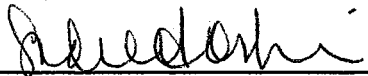
Under 40 CFR Part 144, Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General permit conditions for which the content is mandatory and not subject to site-specific differences are not discussed in this document. Issuance of this Permit does not convey any property rights of any sort or any exclusive privilege, nor does it authorize injury to persons or property or invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. (40 CFR §144.35) An EPA UIC Permit may be issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR §§144.39, 144.40 and 144.41, and may be reviewed at least once every five (5) years to determine if action is required under 40 CFR §144.36(a).


This Permit is issued for the life of the well(s) unless modified, revoked and reissued, or terminated under 40 CFR 144.39 or 144.40. This EPA Permit may be adopted, modified, revoked and reissued, or terminated if primary enforcement authority for a UIC Program is delegated to an Indian Tribe or State. Upon the effective date of delegation, reports, notifications, questions and other correspondence should be directed to the Indian Tribe or State Director.

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition in UIC permit No. UT21187-08160: This permit shall expire 10 years from the date that injection commences.

Issue Date: NOV 05 2009

Effective Date NOV 05 2009



 Stephen S. Tuber
Assistant Regional Administrator*
Office of Partnerships and Regulatory Assistance

*NOTE: The person holding this title is referred to as the "Director" throughout this Permit.

PART II. SPECIFIC PERMIT CONDITIONS

Section A. WELL CONSTRUCTION REQUIREMENTS

These requirements represent the approved minimum construction standards for well casing and cement, injection tubing, and packer.

Details of the approved well construction plan are incorporated into this Permit as APPENDIX A. Changes to the approved plan that may occur during construction must be approved by the Director prior to being physically incorporated.

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: The approved well construction does not include longstring casing or a packer. Therefore, any references to longstring casing, packer, or tubing-casing annulus (TCA) either do not apply or may be applied to the approved well construction of injection tubing cemented in place.

The use of centralizers around the injection tubing/casing is required.

Newfield will include a seat nipple in the well construction configuration that will allow the injection tubing/casing to be pressurized for Part I (internal) Mechanical Integrity testing.

1. Casing and Cement.

The well or wells shall be cased and cemented to prevent the movement of fluids into or between underground sources of drinking water. The well casing and cement shall be designed for the life expectancy of the well and of the grade and size shown in APPENDIX A. Remedial cementing may be required if shown to be inadequate by cement bond log or other attempted demonstration of Part II (External) mechanical integrity.

2. Injection Tubing and Packer.

Injection tubing is required, and shall be run and set with a packer at or below the depth indicated in APPENDIX A. The packer setting depth may be changed provided it remains below the depth indicated in APPENDIX A and the Permittee provides notice and obtains the Director's approval for the change.

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: A packer will not be used in this well construction. Centralizers are required on the injection tubing/casing string.

3. Sampling and Monitoring Devices.

The Permittee shall install and maintain in good operating condition:

- (a) a "tap" at a conveniently accessible location on the injection flow line between the pump house or storage tanks and the injection well, isolated by shut-off valves, for collection of representative samples of the injected fluid; and

- (b) one-half (1/2) inch female iron pipe fitting, isolated by shut-off valves and located at the wellhead at a conveniently accessible location, for the attachment of a pressure gauge capable of monitoring pressures ranging from normal operating pressures up to the Maximum Allowable Injection Pressure specified in APPENDIX C:

- (i) on the injection tubing; and
- (ii) on the tubing-casing annulus (TCA); and

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: Requirement (ii) does not apply because the well construction does not include a TCA.

- (c) a pressure actuated shut-off device attached to the injection flow line set to shut-off the injection pump when or before the Maximum Allowable Injection Pressure (MAIP) specified in APPENDIX C is reached at the wellhead; and
- (d) a non-resettable cumulative volume recorder attached to the injection line.

4. Well Logging and Testing

Well logging and testing requirements are found in APPENDIX B. The Permittee shall ensure the log and test requirements are performed within the time frames specified in APPENDIX B. Well logs and tests shall be performed according to current EPA-approved procedures. Well log and test results shall be submitted to the Director within sixty (60) days of completion of the logging or testing activity, and shall include a report describing the methods used during logging or testing and an interpretation of the test or log results.

5. Postponement of Construction or Conversion

The Permittee shall complete well construction within one year of the Effective Date of the Permit, or in the case of an Area Permit within one year of Authorization of the additional well. Authorization to construct and operate shall expire if the well has not been constructed within one year of the Effective Date of the Permit or Authorization and the Permit may be terminated under 40 CFR 144.40, unless the Permittee has notified the Director and requested an extension prior to expiration. Notification shall be in writing, and shall state the reasons for the delay and provide an estimated completion date. Once Authorization has expired under this part, the complete permit process including opportunity for public comment may be required before Authorization to construct and operate may be reissued.

6. Workovers and Alterations

Workovers and alterations shall meet all conditions of the Permit. Prior to beginning any addition or physical alteration to an injection well that may significantly affect the tubing, packer or casing, the Permittee shall give advance notice to the Director and obtain the Director's approval. The Permittee shall record all changes to well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workover, logging, or test data to EPA within sixty (60) days of completion of the activity.

A successful demonstration of Part I MI is required following the completion of any well workover or alteration which affects the casing, tubing, or packer. Injection operations shall not be resumed until the well has successfully demonstrated mechanical integrity and the Director has provided written approval to resume injection.

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: This well construction does not include longstring casing or a packer. Injection tubing/casing is cemented in place.

Section B. MECHANICAL INTEGRITY

The Permittee is required to ensure each injection well maintains mechanical integrity at all times. The Director, by written notice, may require the Permittee to comply with a schedule describing when mechanical integrity demonstrations shall be made.

An injection well has mechanical integrity if:

- (a) There is no significant leak in the casing, tubing, or packer (Part I); and

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: There is no significant leak in the injection tubing/casing when pressurized for Part I Mechanical Integrity testing.

- (b) There is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the injection well bore (Part II).

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: There is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the injection tubing/casing.

1. Demonstration of Mechanical Integrity (MI).

The operator shall demonstrate MI prior to commencing injection and periodically thereafter. Well-specific conditions dictate the methods and the frequency for demonstrating MI and are discussed in the Statement of Basis. The logs and tests are designed to demonstrate both internal (Part I) and external (Part II) MI as described above. The conditions present at this well site warrant the methods and frequency required in Appendix B of this Permit.

In addition to these regularly scheduled demonstrations of MI, the operator shall demonstrate internal (Part I) MI after any workover which affects the tubing, packer or casing.

The Director may require additional or alternative tests if the results presented by the operator are not satisfactory to the Director to demonstrate there is no movement of fluid into or between USDWs resulting from injection activity. Results of MI tests shall be submitted to the Director as soon as possible but no later than sixty (60) days after the test is complete.

2. Mechanical Integrity Test Methods and Criteria

EPA-approved methods shall be used to demonstrate mechanical integrity. Ground Water Section Guidance No. 34 "Cement Bond Logging Techniques and Interpretation", Ground Water Section Guidance No. 37, "Demonstrating Part II (External) Mechanical Integrity for a Class II injection well permit", and Ground Water Section Guidance No. 39, "Pressure Testing Injection Wells for Part I (Internal) Mechanical Integrity" are available from EPA and will be provided upon request.

The Director may stipulate specific test methods and criteria best suited for a specific well construction and injection operation.

Newfield will include a seat nipple in the well construction configuration that will allow the injection tubing/casing to be pressurized for Part I (internal) Mechanical Integrity testing.

3. Notification Prior to Testing.

The Permittee shall notify the Director at least 30 days prior to any scheduled mechanical integrity test. The Director may allow a shorter notification period if it would be sufficient to enable EPA to witness the mechanical integrity test. Notification may be in the form of a yearly or quarterly schedule of planned mechanical integrity tests, or it may be on an individual basis.

4. Loss of Mechanical Integrity.

If the well fails to demonstrate mechanical integrity during a test, or a loss of mechanical integrity becomes evident during operation (such as presence of pressure in the TCA, water flowing at the surface, etc.), the Permittee shall notify the Director within 24 hours (see Part III Section E Paragraph 11(e) of this Permit) and the well shall be shut-in within 48 hours unless the Director requires immediate shut-in.

Within five days, the Permittee shall submit a follow-up written report that documents test results, repairs undertaken or a proposed remedial action plan.

Injection operations shall not be resumed until after the well has successfully been repaired and demonstrated mechanical integrity, and the Director has provided approval to resume injection.

Section C. WELL OPERATION

INJECTION BETWEEN THE OUTERMOST CASING PROTECTING UNDERGROUND SOURCES OF DRINKING WATER AND THE WELL BORE IS PROHIBITED.

Injection is approved under the following conditions:

1. Requirements Prior to Commencing Injection.

Well injection, including for new wells authorized by an Area Permit under 40 CFR 144.33 (c), may commence only after all well construction and pre-injection requirements herein have been met and approved. The Permittee may not commence injection until construction is complete, and

- (a) The Permittee has submitted to the Director a notice of completion of construction and a completed EPA Form 7520-10 or 7520-12; all applicable logging and testing requirements of this Permit (see APPENDIX B) have been fulfilled and the records submitted to the Director; mechanical integrity pursuant to 40 CFR 146.8 and Part II Section B of this Permit has been demonstrated; and
 - (i) The Director has inspected or otherwise reviewed the new injection well and finds it is in compliance with the conditions of the Permit; or
 - (ii) The Permittee has not received notice from the Director of his or her intent to inspect or otherwise review the new injection well within 13 days of the date of the notice in Paragraph 1a, in which case prior inspection or review is waived and the Permittee may commence injection.

2. Injection Interval.

Injection is permitted only within the approved injection interval, listed in APPENDIX C. Additional individual injection perforations may be added provided that they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6.

3. Injection Pressure Limitation

- (a) The permitted Maximum Allowable Injection Pressure (MAIP), measured at the wellhead, is found in APPENDIX C. Injection pressure shall not exceed the amount the Director determines is appropriate to ensure that injection does not initiate new fractures or propagate existing fractures in the confining zone adjacent to USDWs. In no case shall injection pressure cause the movement of injection or formation fluids into a USDW.
- (b) The Permittee may request a change of the MAIP, or the MAIP may be increased or decreased by the Director in order to ensure that the requirements in Paragraph (a) above are fulfilled. The Permittee may be required to conduct a step rate injection test or other suitable test to provide information for determining the fracture pressure of the injection zone. Change of the permitted MAIP by the Director shall be by modification of this Permit and APPENDIX C.

4. Injection Volume Limitation.

Injection volume is limited to the total volume specified in APPENDIX C.

An injection volume limitation may be assigned prior to receiving Authorization to Continue Injection beyond the 180-day period of Limited Authorization to Inject.

5. Injection Fluid Limitation.

Injected fluids are limited to those identified in 40 CFR 144.6(b)(2) as fluids used for enhanced recovery of oil or natural gas, including those which are brought to the surface in connection with conventional oil or natural gas production that may be commingled with waste waters from gas plants which are an integral part of production operations unless those waters are classified as a hazardous waste at the time of injection, pursuant to 40 CFR 144.6(b). Non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes and vacuum truck wastes, are NOT approved for injection. This well is NOT approved for commercial brine injection, industrial waste fluid disposal or injection of hazardous waste as defined by CFR 40 Part 261. The Permittee shall provide a listing of the sources of injected fluids in accordance with the reporting requirements in Part II Section D Paragraph 4 and APPENDIX D of this Permit.

6. Tubing-Casing Annulus (TCA)

The tubing-casing annulus (TCA) shall be filled with water treated with a corrosion inhibitor, or other fluid approved by the Director. The TCA valve shall remain closed during normal operating conditions and the TCA pressure shall be maintained at zero (0) psi.

If TCA pressure cannot be maintained at zero (0) psi, the Permittee shall follow the procedures in Ground Water Section Guidance No. 35 "Procedures to follow when excessive annular pressure is observed on a well."

The permit language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following permit condition(s) in UIC permit No. UT21187-08160: This well configuration does not include a TCA.

Section D. MONITORING, RECORDKEEPING, AND REPORTING OF RESULTS

1. Monitoring Parameters, Frequency, Records and Reports.

Monitoring parameters are specified in APPENDIX D. Pressure monitoring recordings shall be taken at the wellhead. The listed parameters are to be monitored, recorded and reported at the frequency indicated in APPENDIX D even during periods when the well is not operating.

Monitoring records must include:

- (a) the date, time, exact place and the results of the observation, sampling, measurement, or analysis, and;
- (b) the name of the individual(s) who performed the observation, sampling, measurement, or analysis, and;
- (c) the analytical techniques or methods used for analysis.

2. Monitoring Methods.

- (a) Monitoring observations, measurements, samples, etc. taken for the purpose of complying with these requirements shall be representative of the activity or condition being monitored.

- (b) Methods used to monitor the nature of the injected fluids must comply with analytical methods cited and described in Table 1 of 40 CFR 136.3 or Appendix III of 40 CFR 261, or by other methods that have been approved in writing by the Director.
- (c) Injection pressure, annulus pressure, injection rate, and cumulative injected volumes shall be observed and recorded at the wellhead under normal operating conditions, and all parameters shall be observed simultaneously to provide a clear depiction of well operation.
- (d) Pressures are to be measured in pounds per square inch (psi).
- (e) Fluid volumes are to be measured in standard oil field barrels (bbl).
- (f) Fluid rates are to be measured in barrels per day (bbl/day).

3. Records Retention.

- (a) Records of calibration and maintenance, and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained for a period of AT LEAST THREE (3) YEARS from the date of the sample, measurement, report, or application. This period may be extended anytime prior to its expiration by request of the Director.
- (b) Records of the nature and composition of all injected fluids must be retained until three (3) years after the completion of any plugging and abandonment (P&A) procedures specified under 40 CFR 144.52(a)(6) or under Part 146 Subpart G, as appropriate. The Director may require the Permittee to deliver the records to the Director at the conclusion of the retention period. The Permittee shall continue to retain the records after the three (3) year retention period unless the Permittee delivers the records to the Director or obtains written approval from the Director to discard the records.

4. Annual Reports.

Whether the well is operating or not, the Permittee shall submit an Annual Report to the Director that summarizes the results of the monitoring required by Part II Section D and APPENDIX D.

The first Annual Report shall cover the period from the effective date of the Permit through December 31 of that year. Subsequent Annual Reports shall cover the period from January 1 through December 31 of the reporting year. Annual Reports shall be submitted by February 15 of the year following data collection. EPA Form 7520-11 may be copied and shall be used to submit the Annual Report, however, the monitoring requirements specified in this Permit are mandatory even if EPA Form 7520-11 indicates otherwise.

Section E. PLUGGING AND ABANDONMENT

1. Notification of Well Abandonment, Conversion or Closure.

The Permittee shall notify the Director in writing at least forty-five (45) days prior to: 1) plugging and abandoning an injection well, 2) converting to a non-injection well, and 3) in the case of an Area Permit, before closure of the project.

2. Well Plugging Requirements

Prior to abandonment, the injection well shall be plugged with cement in a manner which isolates the injection zone and prevents the movement of fluids into or between underground sources of drinking water, and in accordance with 40 CFR 146.10 and other applicable Federal, State or local law or regulations. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. Prior to placement of the cement plug(s) the well shall be in a state of static equilibrium with the mud weight equalized top to bottom, either by circulating the mud in the well at least once or by a comparable method prescribed by the Director.

3. Approved Plugging and Abandonment Plan.

The approved plugging and abandonment plan is incorporated into this Permit as APPENDIX E. Changes to the approved plugging and abandonment plan must be approved by the Director prior to beginning plugging operations. The Director also may require revision of the approved plugging and abandonment plan at any time prior to plugging the well.

4. Forty Five (45) Day Notice of Plugging and Abandonment.

The Permittee shall notify the Director at least forty-five (45) days prior to plugging and abandoning a well and provide notice of any anticipated change to the approved plugging and abandonment plan.

5. Plugging and Abandonment Report.

Within sixty (60) days after plugging a well, the Permittee shall submit a report (EPA Form 7520-13) to the Director. The plugging report shall be certified as accurate by the person who performed the plugging operation. Such report shall consist of either:

- (a) A statement that the well was plugged in accordance with the approved plugging and abandonment plan; or
- (b) Where actual plugging differed from the approved plugging and abandonment plan, an updated version of the plan, on the form supplied by the Director, specifying the differences.

6. Inactive Wells.

After any period of two years during which there is no injection the Permittee shall plug and abandon the well in accordance with Part II Section E Paragraph 2 of this Permit unless the Permittee:

- (a) Provides written notice to the Director;
- (b) Describes the actions or procedures the Permittee will take to ensure that the well will not endanger USDWs during the period of inactivity. These actions and procedures shall include compliance with mechanical integrity demonstration, Financial Responsibility and all other permit requirements designed to protect USDWs; and
- (c) Receives written notice by the Director temporarily waiving plugging and abandonment requirements.

PART III. CONDITIONS APPLICABLE TO ALL PERMITS

Section A. EFFECT OF PERMIT

The Permittee is allowed to engage in underground injection in accordance with the conditions of this Permit. The Permittee shall not construct, operate, maintain, convert, plug, abandon, or conduct any other activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR 142 or may otherwise adversely affect the health of persons. Any underground injection activity not authorized by this Permit or by rule is prohibited. Issuance of this Permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of any other Federal, State or local law or regulations. Compliance with the terms of this Permit does not constitute a defense to any enforcement action brought under the provisions of Section 1431 of the Safe Drinking Water Act (SDWA) or any other law governing protection of public health or the environment, for any imminent and substantial endangerment to human health or the environment, nor does it serve as a shield to the Permittee's independent obligation to comply with all UIC regulations. Nothing in this Permit relieves the Permittee of any duties under applicable regulations.

Section B. CHANGES TO PERMIT CONDITIONS

1. Modification, Reissuance, or Termination.

The Director may, for cause or upon a request from the Permittee, modify, revoke and reissue, or terminate this Permit in accordance with 40 CFR 124.5, 144.12, 144.39, and 144.40. Also, this Permit is subject to minor modification for causes as specified in 40 CFR 144.41. The filing of a request for modification, revocation and reissuance, termination, or the notification of planned changes or anticipated noncompliance on the part of the Permittee does not stay the applicability or enforceability of any condition of this Permit.

2. Conversions.

The Director may, for cause or upon a written request from the Permittee, allow conversion of the well from a Class II injection well to a non-Class II well. Conversion may not proceed until the Permittee receives written approval from the Director. Conditions of such conversion may include but are not limited to, approval of the proposed well rework, follow up demonstration of mechanical integrity, well-specific monitoring and reporting following the conversion, and demonstration of practical use of the converted configuration.

3. Transfer of Permit.

Under 40 CFR 144.38, this Permit is transferable provided the current Permittee notifies the Director at least thirty (30) days in advance of the proposed transfer date (EPA Form 7520-7) and provides a written agreement between the existing and new Permittees containing a specific date for transfer of Permit responsibility, coverage and liability between them. The notice shall adequately demonstrate that the financial responsibility requirements of 40 CFR 144.52(a)(7) will be met by the new Permittee. The Director may require modification or revocation and reissuance of the Permit to change the name of the Permittee and incorporate such other requirements as may be necessary under the Safe Drinking Water Act; in some cases, modification or revocation and reissuance is mandatory.

4. Permittee Change of Address.

Upon the Permittee's change of address, or whenever the operator changes the address where monitoring records are kept, the Permittee must provide written notice to the Director within 30 days.

5. Construction Changes, Workovers, Logging and Testing Data

The Permittee shall give advance notice to the Director, and shall obtain the Director's written approval prior to any physical alterations or additions to the permitted facility. Alterations or workovers shall meet all conditions as set forth in this permit. The Permittee shall record any changes to the well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workovers, logging, or test data to EPA within sixty (60) days of completion of the activity.

Following the completion of any well workovers or alterations which affect the casing, tubing, or packer, a successful demonstration of mechanical integrity (Part III, Section F of this Permit) shall be made, and written authorization from the Director received, prior to resuming injection activities.

Section C. SEVERABILITY

The Provisions of this Permit are severable, and if any provision of this Permit or the application of any provision of this Permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this Permit shall not be affected thereby.

Section D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR 144.5, information submitted to EPA pursuant to this Permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information). Claims of confidentiality for the following information will be denied:

- The name and address of the Permittee, and
- information which deals with the existence, absence or level of contaminants in drinking water.

Section E. GENERAL PERMIT REQUIREMENTS

1. Duty to Comply.

The Permittee must comply with all conditions of this Permit. Any noncompliance constitutes a violation of the Safe Drinking Water Act (SDWA) and is grounds for enforcement action; for Permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application; except that the Permittee need not comply with the provisions of this Permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR 144.34. All violations of the SDWA may subject the Permittee to penalties and/or criminal prosecution as specified in Section 1423 of the SDWA.

2. Duty to Reapply.

If the Permittee wishes to continue an activity regulated by this Permit after the expiration date of this Permit, under 40 CFR 144.37 the Permittee must apply for a new permit prior to the expiration date.

3. Need to Halt or Reduce Activity Not a Defense.

It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this Permit.

4. Duty to Mitigate.

The Permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this Permit.

5. Proper Operation and Maintenance.

The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this Permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this Permit.

6. Permit Actions.

This Permit may be modified, revoked and reissued or terminated for cause. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

7. Property Rights.

This Permit does not convey any property rights of any sort, or any exclusive privilege.

8. Duty to Provide Information.

The Permittee shall furnish to the Director, within a time specified, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The Permittee shall also furnish to the Director, upon request, copies of records required to be kept by this Permit. The Permittee is required to submit any information required by this Permit or by the Director to the mailing address designated in writing by the Director.

9. Inspection and Entry.

The Permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- (a) Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this Permit;

- (b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this Permit;
- (c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Permit; and,
- (d) Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the SDWA, any substances or parameters at any location.

10. Signatory Requirements.

All applications, reports or other information submitted to the Director shall be signed and certified according to 40 CFR 144.32. This section explains the requirements for persons duly authorized to sign documents, and provides wording for required certification.

11. Reporting Requirements.

- (a) **Planned changes.** The Permittee shall give notice to the Director as soon as possible of any planned changes, physical alterations or additions to the permitted facility, and prior to commencing such changes.
- (b) **Anticipated noncompliance.** The Permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- (c) **Monitoring Reports.** Monitoring results shall be reported at the intervals specified in this Permit.
- (d) **Compliance schedules.** Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted no later than 30 days following each schedule date.
- (e) **Twenty-four hour reporting.** The Permittee shall report to the Director any noncompliance which may endanger human health or the environment, including:
 - (i) Any monitoring or other information which indicates that any contaminant may cause endangerment to a USDW; or
 - (ii) Any noncompliance with a permit condition or malfunction of the injection system which may cause fluid migration into or between USDWs.

Information shall be provided, either directly or by leaving a message, within twenty-four (24) hours from the time the permittee becomes aware of the circumstances by telephoning (800) 227-8917 and requesting EPA Region VIII UIC Program Compliance and Technical Enforcement Director, or by contacting the EPA Region VIII Emergency Operations Center at (303) 293-1788.

In addition, a follow up written report shall be provided to the Director within five (5) days of the time the Permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause, the period of noncompliance including exact dates and times, and if the noncompliance has not been corrected the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

- (f) Oil Spill and Chemical Release Reporting: The Permittee shall comply with all reporting requirements related to the occurrence of oil spills and chemical releases by contacting the National Response Center (NRC) at (800) 424-8802, (202) 267-2675, or through the NRC website <http://www.nrc.uscg.mil/index.htm>.
- (g) Other Noncompliance. The Permittee shall report all instances of noncompliance not reported under paragraphs Part III, Section E Paragraph 11(b) or Section E, Paragraph 11(e) at the time the monitoring reports are submitted. The reports shall contain the information listed in Paragraph 11(e) of this Section.
- (h) Other information. Where the Permittee becomes aware that it failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Director, the Permittee shall promptly submit such facts or information to the Director.

Section F. FINANCIAL RESPONSIBILITY

1. Method of Providing Financial Responsibility.

The Permittee shall maintain continuous compliance with the requirement to maintain financial responsibility and resources to close, plug, and abandon the underground injection well(s). No substitution of a demonstration of financial responsibility shall become effective until the Permittee receives written notification from the Director that the alternative demonstration of financial responsibility is acceptable. The Director may, on a periodic basis, require the holder of a permit to revise the estimate of the resources needed to plug and abandon the well to reflect changes in such costs and may require the Permittee to provide a revised demonstration of financial responsibility.

2. Insolvency.

In the event of:

- (a) the bankruptcy of the trustee or issuing institution of the financial mechanism; or
- (b) suspension or revocation of the authority of the trustee institution to act as trustee; or

- (c) the institution issuing the financial mechanism losing its authority to issue such an instrument

the Permittee must notify the Director in writing, within ten (10) business days, and the Permittee must establish other financial assurance or liability coverage acceptable to the Director within sixty (60) days after any event specified in (a), (b), or (c) above.

The Permittee must also notify the Director by certified mail of the commencement of voluntary or involuntary proceedings under Title 11 (Bankruptcy), U.S. Code naming the owner or operator as debtor, within ten (10) business days after the commencement of the proceeding. A guarantor, if named as debtor of a corporate guarantee, must make such a notification as required under the terms of the guarantee.

APPENDIX A

WELL CONSTRUCTION REQUIREMENTS

Newfield will drill out the six existing cement plugs in the Gilsonite State 2A-32-8-17 well. Injection casing (2-7/8") will be installed to a depth of 5,204 feet. Cement will be circulated until it is returned at the surface. A seat nipple will be included in the injection casing to enable the required Part I mechanical integrity testing.

The schematic diagram shows proposed injection perforations in the Parachute Creek and Garden Gulch Members of the Green River Formation.

No packer will be used in this well construction.

See diagram in Appendix A-2.

GILSONITE STATE 2A-32-8-17

Spud Date: 11/19/94
P&A: 12/24/94
GL: 5410' KB: 5189'

Proposed Injection
Wellbore Diagram

SURFACE CASING

CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT: 24#
LENGTH: 313'
DEPTH LANDED: 299' KB
HOLE SIZE: 12-1/4"
CEMENT DATA: 235 sxs Class "G" cmt W/ 2% CaCl.

INJECTION CASING

CSG SIZE: 2-7/8"
GRADE: J-55
WEIGHT: 6.5#
LENGTH: +/- 5204'
DEPTH LANDED: +/- 5204' KB
HOLE SIZE: 7-7/8"
CEMENT DATA: 201 sxs Premium Lite and 912 sxs 50:50 Poz

CZ

3,104'-3,130'

CBH to be run.

299'

426' - Base of USDWs

1825' - Estimated Top of Green River/Uinla Base

2445' - Trona Top

3085' - Mahogany Bench Top (Base to 3104')

3125' - Base of shale zone

3130'-3140'

3165'-3176'

3856' Garden Gulch

X NIPPLE @ +/- 4000'

4150'-4162'

4835' Douglas Creek

SEAT NIPPLE @ +/- 5112'

100' CEMENT PLUG
5204'-5304'

TD @ 6000'

Basal Carbonate

NEWFIELD

GILSONITE STATE 2A-32-8-17

2137' FEL & 664' FNL

NW/NE Section 32-T8S-R17E

Duchesne Co, Utah

API #43-013-31453; Lease #ML-22060

Permit UT21187-08160

A-2

ANAL REPORT

APPENDIX B

LOGGING AND TESTING REQUIREMENTS

Logs.

Logs will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well logging required as a condition of this permit.

WELL NAME: Gilsonite State 2A-32-8-17	
TYPE OF LOG	DATE DUE
Radial CBL/VDL/gamma log	Upon well recompletion, prior to 180-day Limited Authorization to Inject

Tests.

Tests will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well test required as a condition of this permit.

WELL NAME: Gilsonite State 2A-32-8-17	
TYPE OF TEST	DATE DUE
Pressure Fall-Off Test	During the 180-day period of Limited Authorization to Inject. Newfield must submit the proposed testing plan for EPA approval PRIOR to executing the test.
Radioactive Tracer Survey (2)	Prior to receiving authorization to inject
Water analysis of water produced from 3,125 to 3,190 ft.	Prior to receiving authorization to inject
Standard Annulus Pressure	Prior to receiving authorization to inject and at least once every five (5) years after the last demonstration of Part I mechanical integrity
Pore Pressure	Prior to receiving authorization to inject

APPENDIX C

OPERATING REQUIREMENTS

MAXIMUM ALLOWABLE INJECTION PRESSURE:

Maximum Allowable Injection Pressure (MAIP) as measured at the surface shall not exceed the pressure(s) listed below.

WELL NAME	MAXIMUM ALLOWED INJECTION PRESSURE (psi)	
	ZONE 1 (Upper)	ZONE 2 (Lower)
Gilsonite State 2A-32-8-17	905	905

INJECTION INTERVAL(S):

Injection is permitted only within the approved injection interval listed below. Injection perforations may be altered provided they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6. Specific injection perforations can be found in Appendix A.

WELL NAME: Gilsonite State 2A-32-8-17			
FORMATION NAME	APPROVED INJECTION INTERVAL (KB, ft)		FRACTURE GRADIENT (psi/ft)
	TOP	BOTTOM	
Green River Formation: Parachute Member	3,125.00	3,190.00	0.729
Green River Formation: Garden Gulch Member	4,140.00	4,162.00	0.729

ANNULUS PRESSURE:

The annulus pressure shall be maintained at zero (0) psi as measured at the wellhead. If this pressure cannot be maintained, the Permittee shall follow the procedures listed under Part II, Section C. 6. of this permit.

MAXIMUM INJECTION VOLUME:

A fluid volume injection limit or a maximum injection rate may be assigned by the Director upon evaluation of data obtained from logs and tests conducted during the 180-day limited authorization to inject.

WELL NAME: Gilsonite State 2A-32-8-17

FORMATION NAME

MAXIMUM VOLUME LIMIT (bbls)

Green River Formation: Parachute Member

APPENDIX D

MONITORING AND REPORTING PARAMETERS

This is a listing of the parameters required to be observed, recorded, and reported. Refer to the permit Part II, Section D, for detailed requirements for observing, recording, and reporting these parameters.

[DAILY - WEEKLY - MONTHLY]	
OBSERVE AND RECORD	Injection pressure (psig)
	Annulus pressure(s) (psig)
	Injection rate (bbl/day)
	Fluid volume injected since the well began injecting (bbls)
ANNUALLY	
ANALYZE	Injected fluid total dissolved solids (mg/l)
	Injected fluid specific gravity
	Injected fluid specific conductivity
	Injected fluid pH
ANNUALLY	
REPORT	Each month's maximum and averaged injection pressures (psig)
	Each month's maximum and minimum annulus pressure(s) (psig)
	Each month's injected volume (bbl)
	Fluid volume injected since the well began injecting (bbl)
	Written results of annual injected fluid analysis
	Sources of all fluids injected during the year

In addition to these items, additional Logging and Testing results may be required periodically. For a list of those items and their due dates, please refer to **APPENDIX B - LOGGING AND TESTING REQUIREMENTS**.

APPENDIX E

PLUGGING AND ABANDONMENT REQUIREMENTS

The well shall be plugged in a manner that isolates the injection zone and prevents the movement of fluid into or between USDWs and in accordance with other applicable Federal, State or local law or regulation. Tubing, packers, and any downhole apparatus shall be removed. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs. However, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. Within sixty (60) days after plugging, the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

Plug 1: Isolate the injection zone

Remove downhole apparatus from the well and perform necessary clean out; displace well fluid with plugging gel. Set a cast iron bridge plug (CIBP) inside the 2-7/8" casing, no more than 50 ft above the top perforation with a minimum of 20 ft cement plug on top of the CIBP.

Plug 2: Isolate the Trona-Bird's Nest water zone and Mahogany Oil Shale

This plug should extend from 50 ft below the base of the Mahogany Bench to 50 ft above the top of the Trona-Bird's Nest water zone. Set a minimum 120-ft cement plug inside the 2-7/8" casing, from 3,015-3,135 ft. This plug may be combined with Plug 3 below.

Plug 3: Isolate the Uinta Formation from the Green River Formation

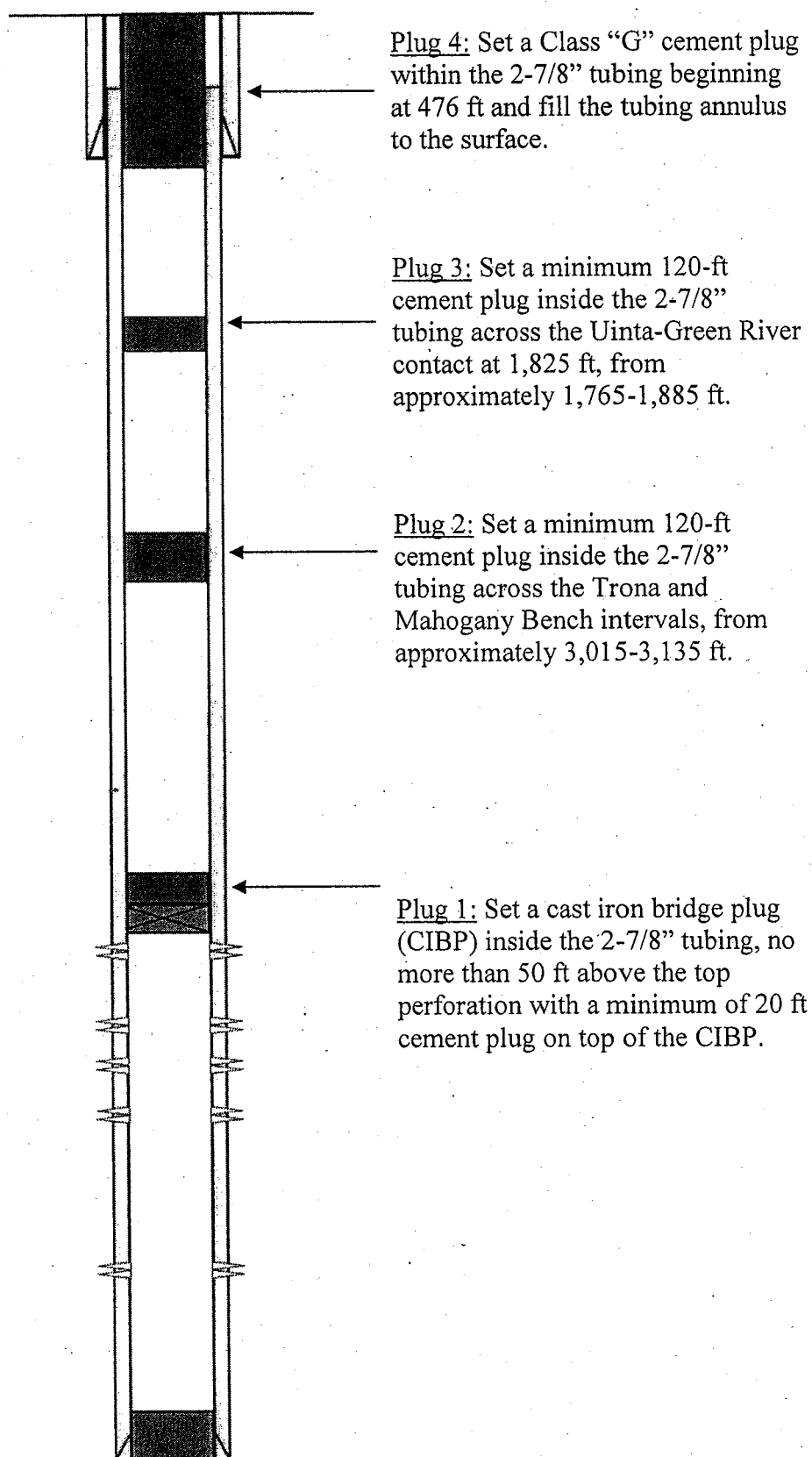
This plug should extend from 60 ft below the Uinta/Green River Formation contact to 60 ft above the Uinta/Green River Formation contact. Set a minimum 120-ft cement plug inside the 2-7/8" casing across this interval, from 1,765-1,885 ft.

Plug 4: Isolate Surface Fluid Migration Paths

Set a Class "G" cement plug inside the 2-7/8" casing from a depth of 476 ft to the surface.

See diagram.

Plugging and Abandonment Diagram for Gilsonite State 2A-32-8-17



APPENDIX F

CORRECTIVE ACTION REQUIREMENTS

No corrective action is deemed necessary for this project.

STATEMENT OF BASIS

**NEWFIELD PRODUCTION CO.
GILSONITE STATE 2A-32-8-17
DUCHESNE COUNTY, UT**

EPA PERMIT NO. UT21187-08160

CONTACT: Jason Deardorff
U. S. Environmental Protection Agency
Ground Water Program, 8P-W-GW
1595 Wynkoop Street
Denver, Colorado 80202-1129
Telephone: 1-800-227-8917 ext. 312-6583

This STATEMENT OF BASIS gives the derivation of site-specific UIC Permit conditions and reasons for them. Referenced sections and conditions correspond to sections and conditions in the Permit.

EPA UIC permits regulate the injection of fluids into underground injection wells so that the injection does not endanger underground sources of drinking water. EPA UIC permit conditions are based upon the authorities set forth in regulatory provisions at 40 CFR Parts 144 and 146, and address potential impacts to underground sources of drinking water. Under 40 CFR 144.35 Issuance of this permit does not convey any property rights of any sort or any exclusive privilege, nor authorize injury to persons or property of invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. Under 40 CFR 144 Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General Permit conditions for which the content is mandatory and not subject to site-specific differences (40 CFR Parts 144, 146 and 147) are not discussed in this document.

PART I. General Information and Description of Facility

Newfield Production Co.
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

on

April 7, 2008

submitted an application for an Underground Injection Control (UIC) Program Permit or Permit Modification for the following injection well or wells:

Gilsonite State 2A-32-8-17
2137' FEL & 664 FNL, NWNE S32, T8S, R17E
Duchesne County, UT

Regulations specific to Uintah-Ouray Indian Reservation injection wells are found at 40 CFR 147 Subpart TT.

The application, including the required information and data necessary to issue or modify a UIC Permit in accordance with 40 CFR Parts 144, 146 and 147, was reviewed and determined by EPA to be complete.

The Permit will expire upon delegation of primary enforcement responsibility (primacy) for applicable portions of the UIC Program to the Ute Indian Tribe or the State of Utah unless the delegated agency has the authority and chooses to adopt and enforce this Permit as a Tribal or State Permit.

TABLE 1.1 shows the status of the well or wells as "New", "Existing", or "Conversion" and for Existing shows the original date of injection operation. Well authorization "by rule" under 40 CFR Part 144 Subpart C expires automatically on the Effective Date of an issued UIC Permit.

The Gilsonite State No. 2A-32-8-17 is a drilled and abandoned well in the Green River Formation (Douglas Creek Member). It is the initial intent of the applicant to recomplete this well by drilling out the existing plugs, cementing in place 2-7/8" injection tubing and creating three new sets of perforations for the purpose of Class II salt water disposal. The Gilsonite State No. 2A-32-8-17 has total depth in the Douglas Creek Member of the Green River Formation.

TABLE 1.1
WELL STATUS / DATE OF OPERATION

CONVERSION WELLS		
Well Name	Well Status	Date of Operation
Gilsonite State 2A-32-8-17	Conversion	N/A

PART II. Permit Considerations (40 CFR 146.24)

Hydrogeologic Setting

Water wells for domestic supply in this area, when present, generally are completed into the shallow alluvium, the Duchesne River Formation, or the underlying Uinta Formation, and the water generally contains approximately 500 to 1,500 mg/L and higher total dissolved solids.

The Uinta-Animas aquifer in the Uinta Basin is present in water-yielding beds of sandstone, conglomerate, and siltstone of the Duchesne River and Uinta Formations, the Renegade Tongue of the Wasatch Formation, and the Douglas Creek Member of the Green River Formation. The Renegade Tongue of the Wasatch Formation and the Douglas Creek Member of the Green River Formation contain an aquifer along the southern and eastern margins of the basin where the rocks primarily consist of fluvial, massive, irregularly bedded sandstone and siltstone. Water-yielding units in the Uinta-Animas aquifer in the Uinta Basin commonly are separated from each other and from the underlying Mesaverde aquifer by units of low permeability composed of claystone, shale, marlstone, or limestone. In the Uinta Basin, for example, the part of the aquifer in the Duchesne River and Uinta Formations ranges in thickness from 0 feet at the southern margin of the aquifer to as much as 9,000 feet in the north-central part of the aquifer. Ground-water recharge to the Uinta-Animas aquifer generally occurs in the areas of higher altitude along the margins of the basin. Ground water is discharged mainly to streams, springs, and by transpiration from vegetation growing along stream valleys. The rate of groundwater withdrawal is small, and natural discharge is approximately equal to recharge. Recharge occurs near the southern margin of the aquifer, and discharge occurs near the White and Green Rivers (from USGS publication HA 730-C). Water samples from Mesaverde sands in the nearby Natural Buttes Unit yielded highly saline water.

Geologic Setting (TABLE 2.1)

The proposed class II salt water disposal well is located within the Gilsonite area, which is part of the Greater Monument Butte Field, T7-9S and R15-19E, which lies near the center of the broad, gently northward dipping south flank of the Uinta Basin. More than 450 million barrels of oil (63 MT) have been produced from sediments of the Uinta Basin. The Uinta Basin is a topographic and structural trough encompassing an area of more than 9300 square mi (14,900 km) in northeast Utah. The basin is sharply asymmetrical, with a steep north flank bounded by the east-west-trending Uinta Mountains, and a gently dipping south flank. The Uinta Basin was formed in Paleocene to Eocene time, creating a large area of internal drainage which was filled by the ancestral Lake Uinta. The lacustrine, or fresh water lake-formed, sediments deposited in and around Lake Uinta make up the Uintah and Green River Formations. The southern shore of Lake Uinta was very broad and flat, resulting in large cyclic shifts of the location of the shoreline during the many repeated transgressive and regressive cycles caused by the climatic and tectonic-induced rise and fall of water levels of the lake. Distributary-mouth bars, distributary channels, and near-shore bars are the primary oil producing sandstone reservoirs in the area. (Ref: "Reservoir Characterization of the Lower Green River Formation, Southwest Uinta Basin, Utah Biannual Technical Progress Report, 4/1/99-9/30/99", by C. D. Morgan, Program Manager, November 1999, Contract DE-AC26-98BC15103).

The Duchesne River Formation is absent in this area. Shale and siltstone of the Uintah Formation outcrop and compose the surface rock throughout the area. The lower 600 feet to 800 feet of the Uinta Formation, consisting generally of shale interbedded with occasionally water-bearing sandstone lenses between 5 feet to 20 feet thick, is underlain by the Green River Formation. The

Green River Formation is further subdivided into several Member and local marker units. The cyclic nature of Green River deposition in the southern shore area resulted in numerous stacked, intertonguing deltaic and near-shore sand and silt deposits. Red alluvial shale and siltstone deposits that intertongue with the Green River sediments are of the Colton and Wasatch Formations. Under the Wasatch Formation is the Mesaverde Formation, which consists primarily of continental-origin deposits of interbedded shale, sandstone, and coal.

The geologic dip is about 200 feet per mile, and there are no known surface faults in this area. Veins of gilsonite, a natural resinous hydrocarbon occasionally mined as a resource, occur in the greater Uintah Basin though it is predominantly found on the eastern margin of the basin near the Colorado border. Vertical veins, generally between 2 ft to 6 ft wide but up to 28 ft wide, may extend many miles in length and occasionally extend as deep as 2000 ft. In this area within the Greater Monument Butte Field there is one known gilsonite vein. This vein is not expected to present a pathway for migration of fluid out of the injection zone because most gilsonite veins terminate at a depth of about 2000 ft, which is above the protective confining layer and deeper injection zone. However, analytical fluid injection modeling was conducted by EPA to determine the proximity of the expected injectate plume to the possible location of this gilsonite vein at depth. It was determined that the injectate plume would not likely intersect the gilsonite vein if present at the injection depth. In addition, the highly viscous nature of the mineral gilsonite at the injection depth would make fluid flow through a fracture filled with gilsonite very unlikely should a hydraulic pressure front resulting from the injection activity reach a gilsonite vein.

The confining zone for this well is located immediately beneath the Trona-Bird's Nest aquifer and Mahogany Bench oil shale resource. Due to proximity of the injection zone to the Trona-Bird's Nest aquifer, which is known to contain USDWs, and because of the proposed reliance on a new confining zone in the Gilsonite unit, a pressure fall-off test is required to determine if fracture flow is occurring in the uppermost injection zone, from 3,125 to 3,190 ft., in the vicinity of the Gilsonite State 2A-32-8-17 well.

TABLE 2.1
GEOLOGIC SETTING
Gilsonite State 2A-32-8-17

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Lithology
Uinta Formation - USDW	12	426	< 10,000	Sand and shale.
Uinta Formation	426	1,825		Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River Formation: Parachute Creek Member	1,585	3,862		Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River Formation - Trona member	3,065	3,085		Evaporite.
Green River Formation: Mahogany Bench	3,085	3,104		Oil shale.
Green River Formation: Unnamed shale zone @3104 ft	3,104	3,130		Shale.
Green River Formation: Garden Gulch Member	3,856	4,835	4,776	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River Formation: Douglas Creek Member	4,835	5,706	4,776	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River Formation: Castle Peak Member	5,706	6,116	4,776	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.

Proposed Injection Zone(s) (TABLE 2.2)

An injection zone is a geological formation, group of formations, or part of a formation that receives fluids through a well. The proposed injection zones are listed in TABLE 2.2.

Injection will occur into an injection zone that is separated from USDWs by a confining zone which is free of known open faults or fractures within the Area of Review.

The EPA approved intervals for Class II salt water disposal in the Gilsonite State 2A-32-8-17 well are within the Parachute Creek and Garden Gulch Members of the Green River Formation, from 3,125 to 3,190 ft. (KB), and from 4,140 to 4,162 ft. (KB).

TABLE 2.2
INJECTION ZONES
Gilsonite State 2A-32-8-17

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Fracture Gradient (psi/ft)	Porosity	Exempted?*
Green River Formation: Parachute Member	3,125	3,190		0.729		N/A
Green River Formation: Garden Gulch Member	4,140	4,162	4,776	0.729		N/A

* **C - Currently Exempted**
E - Previously Exempted
P - Proposed Exemption
N/A - Not Applicable

Confining Zone(s) (TABLE 2.3)

A confining zone is a geological formation, part of a formation, or a group of formations that limits fluid movement above the injection zone. The confining zone or zones are listed in TABLE 2.3.

The 26-foot shale Confining Zone occurs immediately beneath the Mahogany Bench oil shale resource, from 3,104 to 3,125 feet (KB). Due to the proximity of the Trona-Bird's Nest aquifer to the uppermost injection perforation, a pressure fall-off test is required to determine if fracture flow is occurring near this confining zone in the vicinity of the Gilsonite State 2A-32-8-17 well.

An additional confining zone, from 4,080 to 4,140 feet (KB), is found immediately above the lower injection zone, from 4,140 to 4,162 ft (KB).

TABLE 2.3
CONFINING ZONES
Gilsonite State 2A-32-8-17

Formation Name	Formation Lithology	Top (ft)	Base (ft)
Green River Formation: Unnamed shale zone	Shale.	3,104	3,125
Green River Formation:	Shale.	4,080	4,140

Underground Sources of Drinking Water (USDWs) (TABLE 2.4)

Aquifers or the portions thereof which contain less than 10,000 mg/l total dissolved solids (TDS) and are being or could in the future be used as a source of drinking water are considered to be USDWs. The USDWs in the area of this facility are identified in TABLE 2.4.

Enhanced oil recovery operations are ongoing throughout the Greater Monument Butte Field area. Water analyses of the Green River Formation taken in conjunction with this activity generally

exhibit a total dissolved solids (TDS) content in excess of 10,000 mg/l. However, some recent water analyses from the field show TDS values lower than 10,000 mg/l. While rain and surface water recharge into Green River Formation outcrops further south along the Book Cliffs/Roan Cliffs in effect "freshens" the Green River Formation water near those outcrops, in this area of the Monument Butte Field the observed "freshening" is attributed to the effective dilution of the originally in-place high TDS water from injection of relatively fresh water for enhanced oil recovery operations. Aquifer exemption is not required for the lower injection zone, which has a history of waterflooding and data showing that freshening has occurred throughout this interval. The upper injection zone does not have a history of waterflooding activity and water from this zone will be analyzed prior to receiving authorization to inject to determine if an aquifer exemption is necessary.

The State of Utah Division of Water Rights identifies no public water supply wells within the one-quarter (1/4) mile Area-of-Review (AOR) around the Gilsonite State 2A-32-8-17.

Technical Publication No. 92: State of Utah, Department of Natural Resources, cites the base of Underground Sources of Drinking Water (USDW) in the Uinta Formation to be approximately 426 feet from the surface. However, absent definitive information relative to the water quality of the Uinta Formation, from the depth of 426 feet to the base of the Uinta Formation at 1,825 feet, the EPA will require, during plugging and abandonment, a cement plug at the base of the Uinta Formation to protect contamination of possible Uinta USDWs.

TABLE 2.4
UNDERGROUND SOURCES OF DRINKING WATER (USDW)
Gilsonite State 2A-32-8-17

Formation Name	Formation Lithology	Top (ft)	Base (ft)	TDS (mg/l)
Uinta Formation USDW	Sand and shale.	12	426	< 10,000

PART III. Well Construction (40 CFR 146.22)

The Gilsonite State 2A-32-8-17 well was drilled to a total depth of 6,000 feet (KB) into the Doulgas Creek Member of the Green River Formation.

Surface casing (8-5/8") was set at a depth of 299 feet in a 12-1/4" hole using 235 sacks of Class "G" cement which was circulated to the surface. Production casing was not installed and the well was plugged with six plugs in an open hole.

Due to the cost of longstring casing, the quantity of injectate, and the unknown injectability of the proposed injection horizons, injection tubing (injection casing) will be cemented in place within the open hole. Stabilizers will be used to ensure the injection casing is centered and a seat nipple will enable the casing to be pressurized for required Part I mechanical integrity (MI) tests. A cement bond log will be conducted upon cementing to determine Part II MI and whether a further Part II MI demonstration is required before receiving an authorization to inject.

Newfield will drill out the six existing cement plugs in the Gilsonite State 2A-32-8-17 well. Injection casing (2-7/8") will be installed to a depth of 5,204 feet. Cement will be circulated until it is returned at the surface. Newfield should return an appropriate quantity of cement to the surface to insure a quality cement job and that Part II (external) mechanical integrity will be demonstrated by a cement bond log. A seat nipple will be installed to enable the required Part I mechanical integrity testing.

The schematic diagram shows proposed injection perforations in the Parachute Creek and Garden Gulch Members of the Green River Formation. Additional perforations may be added at a later time between the depths of 3,130 feet and 4,162 feet, provided the operator first notifies the Director and later submits an updated well completion report (EPA Form 7520-12) and schematic diagram.

No packer will be used in this well construction.

See diagram.

TABLE 3.1
WELL CONSTRUCTION REQUIREMENTS
Gilsonite State 2A-32-8-17

Casing Type	Hole Size (in)	Casing Size (in)	Cased Interval (ft)	Cemented Interval (ft)
Injection tubing	7.88	2.88	12 - 5,204	12 - 5,204
Surface	12.25	5.63	12 - 299	12 - 299

The approved well completion plan will be incorporated into the Permit as APPENDIX A and will be binding on the Permittee. Modification of the approved plan is allowed under 40 CFR 144.52(a)(1) provided written approval is obtained from the Director prior to actual modification.

Casing and Cementing (TABLE 3.1)

The construction plan for the well or wells proposed for conversion to an injection well was evaluated and determined to be in conformance with standard practices and guidelines that ensure well injection does not result in the movement of fluids into USDWs. Well construction and conversion details for the well or wells are shown in TABLE 3.1.

Tubing and Packer

Injection tubing is required to be installed from a packer up to the surface inside the well casing. The packer will be set above the uppermost perforation. The tubing and packer are designed to prevent injection fluid from coming into contact with the outermost casing.

Tubing-Casing Annulus (TCA)

The TCA allows the casing, tubing and packer to be pressure-tested periodically for mechanical integrity, and will allow for detection of leaks. The TCA will be filled with fresh water treated with a corrosion inhibitor or other fluid approved by the Director.

The Statement of Basis language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following for UIC permit No. UT21187-08160: There is no TCA in this well construction because the injection tubing is cemented into place.

Monitoring Devices

The permittee will be required to install and maintain wellhead equipment that allows for monitoring pressures and providing access for sampling the injected fluid. Required equipment may include but is not limited to: 1) shut-off valves located at the wellhead on the injection tubing and on the TCA; 2) a flow meter that measures the cumulative volume of injected fluid; 3) fittings or pressure gauges attached to the injection tubing and the TCA for monitoring the injection and TCA pressure; and 4) a tap on the injection line, isolated by shut-off valves, for sampling the injected fluid.

All sampling and measurement taken for monitoring must be representative of the monitored activity.

PART IV. Area of Review, Corrective Action Plan (40 CFR 144.55)

**TABLE 4.1
AOR AND CORRECTIVE ACTION**

Well Name	Type	Status (Abandoned Y/N)	Total Depth (ft)	TOC Depth (ft)	CAP Required (Y/N)
Gilsonite State 1-32-8-17	Injector	No	6,400	2,130	No
Gilsonite State 1A-32-8-17	Injector	No	5,640	3,120	No
Gilsonite State 7-32-8-17	Injector	No	5,520	3,750	No
Gilsonite State H-32-8-17	Producer	No	6,340	250	No
Tar Sands Federal 15-29-8-17	Injector	No	6,100	996	No

TABLE 4.1 lists the wells in the Area of Review ("AOR") and shows the well type, operating status, depth, top of casing cement ("TOC") and whether a Corrective Action Plan ("CAP") is required for

the well.

Area Of Review

Applicants for Class I, II (other than "existing" wells) or III injection well Permits are required to identify the location of all known wells within the injection well's Area of Review (AOR) which penetrate the injection zone, or in the case of Class II wells operating over the fracture pressure of the formation, all known wells within the area of review that penetrate formations which may be affected by increased pressure. Under 40 CFR 146.6 the AOR may be a fixed radius of not less than one quarter (1/4) mile or a calculated zone of endangering influence. For Area Permits, a fixed width of not less than one quarter (1/4) mile for the circumscribing area may be used.

Corrective Action Plan

For wells in the AOR which are improperly sealed, completed, or abandoned, the applicant shall develop a Corrective Action Plan (CAP) consisting of the steps or modifications that are necessary to prevent movement of fluid into USDWs.

The CAP will be incorporated into the Permit as APPENDIX F and become binding on the permittee.

TABLE 4.1 lists the wells in the AOR, and shows the well type, operating status, depth, top of casing cement and whether a CAP is required for this well.

PART V. Well Operation Requirements (40 CFR 146.23)

TABLE 5.1
INJECTION ZONE PRESSURES
Gilsonite State 2A-32-8-17

Formation Name	Depth Used to Calculate MAIP (ft)	Fracture Gradient (psi/ft)	Initial MAIP (psi)
Green River Formation: Parachute Member	3,130	0.729	905
Green River Formation: Garden Gulch Member	4,140	0.729	1,195

Approved Injection Fluid

The approved injection fluid is limited to Class II injection well fluids pursuant to 40 CFR § 144.6(b). For disposal wells injecting water brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, the fluid may be commingled and the well used to inject other Class II wastes such as drilling fluids and spent well completion, treatment and stimulation fluid. Injection of non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes, and vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste, is prohibited.

The proposed injectate is produced water from Gilsonite Unit production wells in section 32.

Injection Pressure Limitation

Injection pressure, measured at the wellhead, shall not exceed a maximum calculated to assure

that the pressure used during injection does not initiate new fractures or propagate existing fractures in the confining zones adjacent to the USDWs.

The applicant submitted injection fluid density and injection zone data which was used to calculate a formation fracture pressure and to determine the maximum allowable injection pressure (MAIP), as measured at the surface, for this Permit.

TABLE 5.1 lists the fracture gradient for the injection zone and the approved MAIP, determined according to the following formula:

$$FP = [fg - (0.433 * sg)] * d$$

FP = formation fracture pressure (measured at surface)

fg = fracture gradient (from submitted data or tests)

sg = specific gravity (of injected fluid)

d = depth to top of injection zone (or top perforation)

Injection Volume Limitation

Cumulative injected fluid volume limits are set to assure that injected fluids remain within the boundary of the exempted area. Cumulative injected fluid volume is limited when injection occurs into an aquifer that has been exempted from protection as a USDW.

Newfield expects to inject an average of 300 barrels per day and a maximum injection rate of 500 barrels per day. An injection volume limitation may be assigned if the injection interval from 3,125 to 3,190 ft. is determined to contain a USDW.

Mechanical Integrity (40 CFR 146.8)

An injection well has mechanical integrity if:

1. there is no significant leak in the casing, tubing, or packer (Part I); and
2. there is no significant fluid movement into a USDW through vertical channels adjacent to the injection well bore (Part II).

The Statement of Basis language above, which is standard language included in all EPA Region 8 UIC permits, is superseded by the following for UIC permit No. UT21187-08160:

1. there is no significant leak in the casing or tubing (Part I); and
2. there is no significant fluid movement into a USDW through vertical channels adjacent to the injection well bore (Part II).

The Permit prohibits injection into a well which lacks mechanical integrity.

The Permit requires that the well demonstrate mechanical integrity prior to injection and periodically thereafter. A demonstration of mechanical integrity includes both internal (Part I) and external (Part II). The methods and frequency for demonstrating Part I and Part II mechanical integrity are dependent upon well-specific conditions as explained below.

PART I MI: Internal MI will be demonstrated prior to beginning injection. A successful mechanical integrity test (MIT) is required to take place prior to receiving authorization to inject and at least

once every five years thereafter. A demonstration of Part I MI is also required prior to resuming injection following any workover operation that affects the surface casing or injection tubing. Part I MI may be demonstrated by an injection tubing annulus pressure test using the maximum permitted injection pressure or 1000 psi, whichever is less, with a ten percent or less pressure loss over thirty minutes.

Part II MI: A CBL will be conducted upon cementing of the injection tubing and this log will be used to determine if the well cement meets requirements needed to demonstrate Part II MI. Further testing may be required prior to injection and possibly at least once every five years thereafter. Approved tests for demonstrating Part II MI include a Temperature Survey, Noise Log or Oxygen Activation Log. A Radioactive Tracer Survey is required during the 180-day period of Limited Authorization to Inject and will also be used to determine if cement is adequate to prevent the migration of injection fluids behind pipe from the injection zone.

PART VI. Monitoring, Recordkeeping and Reporting Requirements

Injection Well Monitoring Program

At least once a year the permittee must analyze a sample of the injected fluid for total dissolved solids (TDS), specific conductivity, pH, and specific gravity. This analysis shall be reported to EPA annually as part of the Annual Report to the Director. Any time a new source of injected fluid is added, a fluid analysis shall be made of the new source.

Instantaneous injection pressure, injection flow rate, cumulative fluid volume and TCA pressures must be observed on a weekly basis. A recording, at least once every thirty (30) days, must be made of the injection pressure, annulus pressure, monthly injection flow rate and cumulative fluid volume. This information is required to be reported annually as part of the Annual Report to the Director.

PART VII. Plugging and Abandonment Requirements (40 CFR 146.10)

Plugging and Abandonment Plan

Prior to abandonment, the well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs, and in accordance with any applicable Federal, State or local law or regulation. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. Within sixty (60) days after plugging the owner or operator shall submit Plugging Record (EPA Form 7520 13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. The plugging and abandonment plan is described in Appendix E of the Permit.

At a minimum, the following plugs are required:

Plug 1: Remove downhole apparatus from the well and perform necessary clean out; displace well fluid with plugging gel. Set a cast iron bridge plug (CIBP) inside the 2-7/8" casing, no more than 50 ft above the top perforation with a minimum of 20 ft cement plug on top of the CIBP.

Plug 2: This plug should extend from 50 ft below the base of the Mahogany Bench to 50 ft above the top of the Trona-Bird's Nest water zone. Set a minimum 120-ft cement plug inside the 2-7/8" casing, from 3,015-3,135 ft. This plug may be combined with Plug 3 below.

Plug 3: This plug should extend from 60 ft below the Uinta/Green River Formation contact to 60 ft above the Uinta/Green River Formation contact. Set a minimum 120-ft cement plug inside the 2-7/8" casing across this interval, from 1,765-1,885 ft.

Plug 4: Set a Class "G" cement plug inside the 2-7/8" casing from a depth of 476 ft to the surface.

See diagram.

PART VIII. Financial Responsibility (40 CFR 144.52)

Demonstration of Financial Responsibility

The permittee is required to maintain financial responsibility and resources to close, plug, and abandon the underground injection operation in a manner prescribed by the Director. The permittee shall show evidence of such financial responsibility to the Director by the submission of a surety bond, or other adequate assurance such as financial statements or other materials acceptable to the Director. The Regional Administrator may, on a periodic basis, require the holder of a lifetime permit to submit a revised estimate of the resources needed to plug and abandon the well to reflect inflation of such costs, and a revised demonstration of financial responsibility if necessary. Initially, the operator has chosen to demonstrate financial responsibility with:

Financial Statement that has been reviewed and approved by the EPA.

Financial Statement, received May 16, 2008

Evidence of continuing financial responsibility is required to be submitted to the Director annually.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
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<http://www.epa.gov/region08>

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DIV. OF OIL, GAS & MINING

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eric Sundberg
Regulatory Analyst
Newfield Production Company
1001 Seventeenth Street – Suite 2000
Denver, CO 80202

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RE: Underground Injection Control (UIC)
One Year Extension of UIC Permit
UIC Permit UT21187-08160
Gilsonite State 2A-32-8-17
NWNE Sec. 32-T8S-R17E
Duchesne County, UT
API No.: 43-013-31453

Dear Mr. Sundberg:

The U.S. Environmental Protection Agency (EPA), Region 8, has received Newfield Production Company's October 26, 2010, email requesting a one year extension of UIC Permit UT21187-08160. EPA hereby grants an extension of one year from the date of expiration to construct this well. The new date of expiration for this permit is November 5, 2011.

If you have questions regarding the above action, please call Jason Deardorff at 303-312-6583 or 1-800-227-8917, ext. 312-6583.

Sincerely,

for
Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

cc: Uintah & Ouray Business Committee:

Frances Poowegup, Vice-chairwoman

Curtis Cesspooch, Councilman

Phillip Chimburas, Councilman

Stewart Pike, Councilman

Irene Cuch, Councilwoman

Richard Jenks, Jr., Councilman

Daniel Picard

BIA - Uintah & Ouray Indian Agency

Mike Natchees

Environmental Coordinator

Ute Indian Tribe

Manual Myore

Director of Energy & Minerals Dept.

Ute Indian Tribe

Brad Hill

Acting Associate Director

Utah Division of Oil, Gas, and Mining

Fluid Minerals Engineering Office

BLM - Vernal Office

Michael Guinn

District Manager

Newfield Production Company

Myton, Utah

